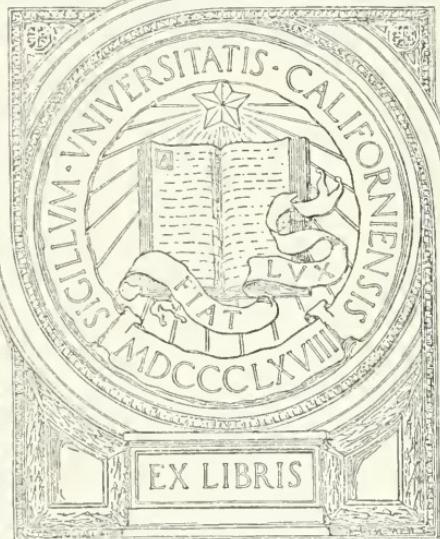




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Mrs. Hopper







**LAND TAXES  
AND  
MINERAL RIGHT DUTIES**



FINANCE (1909-10) ACT, 1910

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# LAND TAXES

AND

# MINERAL RIGHT DUTIES

FROM A SURVEYOR'S AND VALUER'S STANDPOINT

WITH PRACTICAL EXAMPLES AND SKETCHES

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## INTRODUCTION

EVERYBODY now knows that four new taxes are in future to be paid, viz.:—

- (1) Increment Value Duty,
- (2) Reversion Duty,
- (3) Undeveloped Land Duty,
- (4) Mineral Rights Duty.

but the Act which imposes them is unfortunately of a very complex nature.

A large amount of the work which will be required in connection with the necessary Valuations, and the practical working of the provisions of the Act, will devolve upon valuers, surveyors, land agents, and property owners, and there will also be plenty of work for lawyers before some of the provisions of the Act settle down into proper working order.

Examples and sketches are given showing the practical effect of various Sections of the Act from a surveyor's and valuer's standpoint.

The Clauses affecting the respective duties are not to be found in the Act in any kind of con-

secutive order, and an endeavour has been made here to collect the Clauses dealing with each duty, and to give their substance, as far as possible, under the respective kinds of duty.

A reference has in each case been given to the Section of the Act under notice, and the full text of the Sections dealing with the four duties is given for reference in an Appendix hereto.

The Valuation Clauses of the Act will be dealt with first, and, as the various terms used in the Act have, in some cases, wide meanings, and, in other cases, are limited in meaning, it would be well for all who have to work on the Act to see the Definition Clauses given in the Act. (*See Appendix, Sections 2, 8 (4), 18, 24, 25, and 41.*)

In a few important cases the definitions are given in the various chapters.

The valuation for Increment Value Duty is arrived at by estimating what amount a willing seller might expect to realise in the open market for the fee-simple, free from incumbrances, of land, buildings, goodwill, and everything as then existing, and afterwards reducing the amount so ascertained, by deducting the value of buildings, machinery, goodwill, and expenditure of a capital nature, so as to give the owner credit for every-

thing he may have expended, before arriving at what is to be termed ‘Original site value.’ On any subsequent dealing with the land, the owner can make the same claims and deductions before the increment value on that occasion is arrived at, provided the deduction is one which could have been, and was, claimed for the purpose of ascertaining the original site value.

The valuation for Reversion Duty is arrived at by ascertaining the value of the land, at the time the lease was granted, on the basis of the rent reserved, and consideration for the lease, and then seeing by what amount the total value of the land, at the time the lease determines, exceeds the total value of the land at the time the lease was granted.

The valuation for Undeveloped Land Duty is obtained in the same manner as for Increment Value Duty, but in this case there is to be another valuation in 1914, and in every subsequent fifth year.

The valuation in the case of Mineral Rights Duty is different again. It is rather complicated, and is fully dealt with in the chapter on Mineral Rights Duty.

The practical effect of the Act is shortly as follows :—

A Domesday Book is to be prepared as quickly

as possible showing the value of the land in the United Kingdom as on the 30th April 1909.

A duty of practically 20% is to be paid on all increment value on bare land accruing to an owner after the 30th April 1909, the datum line on which Increment Value Duty is to be based being the original site value, ascertained by the Commissioners as on the 30th April 1909, but an owner is not to be taxed on his own expenditure.

A Reversion Duty of practically 10% is to be paid on the value of the benefit accruing to a lessor on the determination of a lease. It is evidently assumed that a lessor drops in for something he has not paid for. In the future, valuers and surveyors will no doubt take the duty into consideration in making their valuations for a purchaser client.

An annual duty of  $\frac{1}{2}$ d. in the £ (4s. 2d.%) is to be paid on undeveloped land.

A duty of 1s. in the £ (5%) is to be paid on the rental value of all rights to work minerals, and of all mineral wayleaves. An increment value duty is also payable on minerals.

In all the cases there are exemptions and also deductions which may be made, but these are fully set out in the chapters dealing with the respective duties.

Statutory Companies have an exempting Clause (Section 38), and this is very fully dealt with in a special chapter.

The Commissioners are empowered to require particulars to be furnished by owners and others interested, subject to penalties in case of default.

The decisions of the Commissioners are not in every case final.

THOS. MOFFET.

WATFORD, HERTS, *June 1910.*



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# LAND TAXES AND MINERAL RIGHT DUTIES

## CHAPTER I VALUATION—LAND VALUES

THE values here dealt with are not applicable to valuation of Minerals, or to Reversions.

*Domesday Book to be compiled.*

The Commissioners are, as soon as may be, Sec. 26 (1). to have a valuation made of the value, as on 30th April 1909, of all land in the United Kingdom showing separately—

- (a) Total value of land.
- (b) Site value of land.
- (c) In the case of agricultural land, the value of that land for agricultural purposes where the value is different from the site value.

The definition of agricultural land is as Sec. 41. follows : ‘The expression “agriculture” includes the use of land as meadow or pasture land, or orchard or osier or woodland, or for market gardens, nursery grounds, or allotments, and the expression “agricultural land” shall be construed accordingly.’

## 2            VALUATION—LAND VALUES

Sec. 26.

Each piece of land in separate occupation, and, if the owner so requires, any part of any land under separate occupation, is to be separately valued.

### *Information to be furnished to Commissioners.*

Sec. 26 (2).

Owners and persons receiving rent in respect of land are, on notice from the Commissioners, to furnish a return containing such particulars as the Commissioners may require as to rent, ownership, tenure, area, character and use of land, and the consideration given on any previous sale or lease of land, and any other matters properly required for valuation purposes, subject to a penalty in case of default.

Sec. 26 (3).

An owner may, if he thinks fit, furnish to the Commissioners his estimate of total value or site value, or both, and Commissioners, on making their valuation, are to consider such estimate.

### *Assessment of Lands.*

Sec. 29 (1).

Any duty may, as the Commissioners think fit, be assessed on or in respect of pieces of land whether under separate occupation or not.

### *Apportionments and Re-apportionments of Site Values.*

Sec. 29 (2).

Commissioners are to make such apportionments and re-apportionments of any original site value, or any site value fixed on periodical valuation, as they consider necessary for the

purpose of collection or assessment of increment <sup>Sec. 29 (2).</sup> value duty or undeveloped land duty, or which they may be required at any time to make on application of any person entitled to the fee-simple, or to an interest in any land.

In making such apportionments and re-apportionments for collection of increment value duty on a sale of land or grant of a lease, the consideration for sale or lease is to be treated as one of the matters to which regard must be had in making apportionment or re-apportionment.

Value attributed to each part of land on <sup>Sec. 29 (4).</sup> apportionment or re-apportionment is to be treated as the original site value, or the site value of the land, as the case may be.

#### *Gross Value*

Means—The amount the fee-simple would <sup>Sec. 25.</sup> realise if sold by a willing seller in the open market, in its then condition, free from encumbrances and from any burden, charge, or restriction (other than rates or taxes).

#### *Full Site Value*

Means—The amount remaining, after deducting from gross value the difference (if any) between that value and the value which the fee-simple might be expected to realise, if sold by a willing seller in open market, if land were divested of buildings and structures (including machinery), and of all growing timber, fruit-trees, and other things growing thereon.

*Total Value*

Sec. 25.

Means—Gross value after deducting amount by which gross value would be diminished if land sold subject to fixed charges, public rights of way, or public rights of user, or covenants restricting use of land, entered into before 30th April 1909, and to restrictive covenants, entered into on or after that date, if, in opinion of Commissioners, covenant so made on or after that date was, when imposed, desirable in the interest of the public or neighbourhood.

*Assessable Site Value*

Any reference in the Act to ‘site value’ (other than reference to site value on an occasion when increment value duty is to be collected) means assessable site value.

Assessable site value means—

Total value after deducting—

- (a) For all buildings, structures, machinery, trees and other things growing on the land.
- (b) Cost of works executed, or expenses of a capital nature (including advertising) incurred for purpose of improving value of land as building land, or for the purpose of any business, trade or industry, other than agriculture.
- (c) Any part of total value directly attributable to appropriation of any land or gift of land, for streets, roads, paths,

squares, gardens, or other open spaces Sec. 25.  
for use of public.

- (d) Any part of total value directly attributable to expenditure of money on
  - (1) Redemption of land tax, or any fixed charge;
  - (2) Enfranchisement of copyholds, or customary freeholds;
  - (3) Release of restrictive covenants or agreements, goodwill, or other matter personal to owner, occupier or person interested in the land for time being.
- (e) Sums necessary, in opinion of Commissioners, to expend to divest land of buildings, trees, and other things.

Where works executed or expenditure incurred for improving land for agriculture have actually improved value of land as building land, or for the purpose of business or trade or industry other than agriculture, the works or expenditure to be treated as having been incurred also for the latter purpose.

*Deduction for any Betterment Payment.*

Where any capital sum has been paid to a Sec. 36.  
Rating Authority, in respect of betterment due to improvements by the Authority, the amount of that sum is to be deducted from increment value of land for increment value duty purposes, and from site value for undeveloped land duty

## 6 VALUATION—LAND VALUES

Sec. 36.

purposes, and from value of benefit accruing to lessor for reversion duty purposes.

### *Typical Valuation.*

It will be seen, from the definitions of the four heads of value, that the intention is in the first instance to get the market value of a property, as it existed on the 30th April 1909, with all its buildings and improvements, and subject to all its disabilities, and then, for the purpose of fixing the original site value, to strip the land of all buildings and improvements, and take into account its disabilities. Having arrived at that stage then there remains to be ascertained what is the assessable site value. For this purpose other deductions may be made as set out under the head of ‘Assessable Site Value.’

A typical valuation to arrive at Assessable Site Value might be as follows: but of course it would be in extremely rare cases, if at all in practice, that every item would be met with in any one instance.

Land and buildings realised on sale by a  
willing seller in the open market . £5000 0 0  
Deduct—

Value of buildings and struc-			
tures . . . . .	£2000	0	0
Machinery (say lifts) . . .	500	0	0
Growing timber, fruit-trees, and other things . . .	100	0	0
Carry forward . . .	£2600	0	0

Net after credit  
given for old  
materials.

Brought forward . . .	£2600 0 0	£5000 0 0
Fixed charge, say rent charge, £2 per annum @ 25 y.p. . . .	50 0 0	
Public right of way (say footpath) which could be diverted . . . .	50 0 0	
Advertising . . . .	10 0 0	
Draining land . . . .	40 0 0	
Laying down quoit ground or bowling-green, pre- mises being, say, an hotel and pleasure gardens .	150 0 0	
Area of land in front of premises thrown open to road (improving public road and thereby in- creasing value of pre- mises) by . . . .	250 0 0	
Redemption of land tax .	10 0 0	
Cost of enfranchising pro- perty . . . .	40 0 0	
Release of a restrictive cove- nant (not to use place as a public-house) . . . .	500 0 0	
Goodwill of a tenant who vacated . . . .	200 0 0	
Betterment charge . . . .	200 0 0	
	<hr/>	£4100 0 0
Site value		<hr/> <hr/> £900 0 0

*Original Total Value and  
Original Site Value.*

Commissioners are to serve on the owner a Sec. 27 (1).  
copy of their provisional valuation, and the  
values shown on that valuation are to be adopted

as the original total value and the original site value unless—

*Owners can object to Provisional Valuation.*

Sec. 27 (2).    Owner, within sixty days of service of provisional valuation or such extended time as Commissioners may, in special cases, allow, give Commissioners notice of objection, stating grounds of objection and amendment desired.

If Commissioners amend provisional valuation so as to be satisfactory to all persons making objections, the total, and site, valuations given in amended valuation are to be adopted as original total and original site values.

Sec. 27 (3).    Commissioners may amend any provisional valuation, whether objected to or not, before it is finally settled, and the amended provisional valuation is to be the provisional valuation.

Sec. 27 (4).    If a provisional valuation is not amended by Commissioners so as to be satisfactory to objector, he may appeal within a time, and in a manner, to be provided by rules to be made.

Sec. 27 (5).    A person interested in the land, although not an owner, may apply to Commissioners for a copy of the provisional valuation before it is finally settled, and is then to have the same right of giving notice of objection and of appeal as the owner.

*How Duty is payable before Values finally settled.*

Sec. 27 (6).    Where duty is payable before the original total or original site value has been finally settled,

the duties are to be paid on the values shown in the Sec. 27 (6). provisional valuation made by the Commissioners, or in any amendment which may have been made in that valuation, and when the values are finally settled, then the difference (if any) between the duty paid and that which should have been paid is to be repaid to, or paid by, the owner as the case may require.

### Copyhold Valuation

In the case of copyholds of inheritance and Sec. 40. copyholds held for life or lives or for years, where the tenant has a right of renewal, and in the case of customary freeholds—

Total and site values are to be ascertained as if the land were freehold, subject to a deduction of such an amount as is proved to the Commissioners to be equal to cost of enfranchisement.

In the case of copyhold land held for lives, where the tenant has *not* a right of renewal, the land is to be treated as freehold and the copyhold interest as a leasehold interest.

### Periodical Valuation of Undeveloped Land

Commissioners are, in 1914, and every subsequent fifth year, to make a valuation of undeveloped land showing the site value of land as on 30th April in that year, and the provisions

## 10        VALUATION—LAND VALUES

Sec. 28.

of the Act, for ascertaining original site value, are to apply to periodical valuation.

If any periodical valuation of any undeveloped land which is liable to that duty is, for any reason, begun but not completed in the year of valuation, Commissioners may complete the valuation after the expiration of the year of valuation, subject to an appeal.

### *Value of Consideration for Transfer or Lease.*

Sec. 32 (1).

Where value of consideration for a transfer or lease is to be determined, the value, so far as the consideration consists of a capital sum, is to be that capital sum, and, where a periodical money payment, it is to be such sum as appears to the Commissioners to be the capital value of that payment.

Sec. 32 (2).

If Commissioners are satisfied that part of consideration has been

- (a) Covenant or liability to discharge any encumbrance,
- (b) In case where nominal rent is reserved, covenant to erect buildings or expend sums,

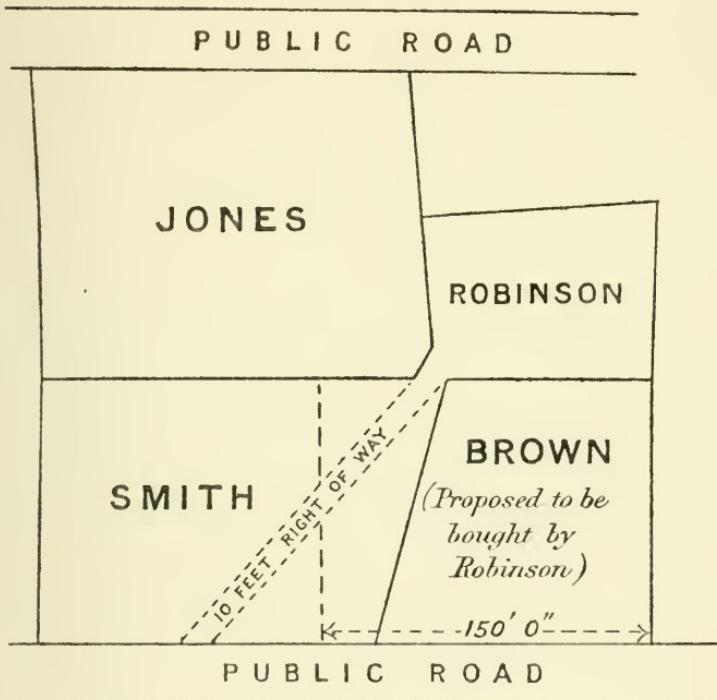
the Commissioners are to allow such sum as they think just as an addition to the value of the consideration.

Sec. 32 (3).

Commissioners have power to apportion, as they determine, consideration as between properties included in any transfer or lease.

*Example to Sec. 32 (2).*

There are cases where, on sale or lease, a condition is imposed on a purchaser or lessee that he shall do certain things which will, to some extent, and sometimes very largely, benefit the residue of the property left with the vendor or lessor. The following would be a typical case coming under Section 2 (a).



Smith owns a plot of land which is available for building purposes, but is encumbered with a ten feet right of way across it to property belonging to Robinson.

Robinson proposes to buy out Brown, but

wants a piece of land from Smith in order to complete a building scheme and give a road frontage of 150 feet.

Robinson offers to release Smith's land from the right-of-way encumbrance, in consideration of Smith selling or granting a lease of the piece Robinson wants, and making a reduction on the purchase money if the land is sold, of say £50, and if a lease be granted, a reduction of £2 in the annual rent.

The consideration for the sale is clearly £50 in excess of what is shown on the deed of sale, and, in the case of a lease, the rent is the yearly equivalent of the £50, viz. at 4%, £2 per annum more than the lease shows.

As to Subsec. 2 (b). Smith proposes to put up on his land an ornamental block of buildings, and, in selling or leasing the strip to Robinson, stipulates that he shall build so as to harmonise with buildings about to be put up by Smith. This means to Robinson, say £500 more than his building scheme warrants, which at 4% is equal to £20 per annum. Smith therefore sells or grants lease at a nominal payment, but the consideration is the £500 to be expended by Robinson.

The Commissioners will, in inquiring into the consideration for a sale or lease, take into account circumstances in cases such as are quoted above.

## CHAPTER II

### INCREMENT VALUE DUTY

#### *What is the Duty?*

This is a duty to be charged, levied, and paid Sec. 1. on the increment value of bare land. The duty is to be at the rate of £1 for every complete £5 of any increment accruing after the 30th April 1909 (20%), but subject to certain exemptions and deductions as set out later.

#### *Definition of Increment Value.*

Increment value is the amount by which the Sec. 2 (1). site value of land, on an occasion on which duty is to be collected, exceeds the original site value.

#### *Remission of 10% from Site Value.*

On the first occasion of the payment of In- Sec. 3 (5). crement Value Duty the increment value is to be reduced by 10% of the original site value of the land, and, on any subsequent occasion, by an amount equal to 10% of the site value of the land on the last preceding occasion for collection of increment duty; but no remission on any occasion

is to be given which will make the amount of increment value, on which duty has been remitted during the preceding five years, exceed 25% of the site value on the last occasion for collection of duty prior to the commencement of that period (*see Example A*) or of the original site value, if there has been no such occasion (*see Example B*).

#### EXAMPLE A.

Site value (after making all deductions which can be made) . . . .	£5000	0	0
Less original site value, say . . . .	4000	0	0
	<hr/>		
Increment value, . . . .	£1000	0	0
Less 10% on original site value, £4000	400	0	0
	<hr/>		
	£600	0	0
	<hr/>		

Occasions occur during five years on which increment value duty will be payable, say as follows :—

Site value (after making all deductions which can be made) . . . .	£8000	0	0
Less original site value . . . .	4000	0	0
	<hr/>		
Increment value . . . .	£4000	0	0
Less 10% on £5000 site value on preceding occasion . . . .	500	0	0
	<hr/>		
	£3500	0	0

Site value (after making all deductions which can be made) . . .	£10,000	0	0
Less original site value . . .	4,000	0	0
Increment value . . .	6,000	0	0
Less 10% on £8000 site value on preceding occasion . . .	800	0	0
	£5,200	0	0

The amount of increment value on which duty would (but for the proviso) be remitted on the last two occasions given above is £500 and £800, total £1300. Whereas 25% of the site value on the first occasion (which was prior to the commencement of the five years referred to) is £1250.

It would therefore appear that on the last occasion given a remission of 10% will be made on £7500 instead of on £8000.

#### EXAMPLE B.

Take the same figures as for the last two occasions given in Example A, but assume these transactions to have taken place within three years, then the 25% would be calculated on the original site value, and the result would be as follows:—

Amount of increment value on which duty remitted on the two occasions named was £500 and £800, total £1300.

25% of £4000 (original site value) = £1000.

Therefore on the second occasion it would

appear that a remission of 10% would only be made on £5000 instead of on £8000.

*Deduction for any Betterment Payment.*

Sec. 36.

A deduction from increment value of land can be made for amounts paid to any Rating Authority, in respect of betterment due to improvements by the Authority.

*Claim for Deductions.*

Sec. 12.

A person is not entitled to claim any deduction for purpose of ascertaining site value of land, when increment value duty is payable, if the deduction is one which could have been but was not claimed for the purpose of ascertaining original site value.

*Occasions on which the Duty is payable.*

Sec. 1.

The duty is to be payable on the following occasions, viz. :—

- (1) On sale of property.
- (2) On lease of property.
- (3) On passing of property on death of any person.
- (4) In the case of properties held by bodies corporate or unincorporate (as defined by Sec. 12 of the Customs and Inland Revenue Act, 1885), in such a manner, or on such permanent trusts, that the

land is not liable to death duties, on Sec. 1. periodical occasions, and on the sale or lease of lands by such bodies.

- (5) On sale or lease of lands by statutory companies, but subject to provisions of Sec. 38.

We will now take each occasion separately.

### Sale of Property

Duty is payable by the transferor on the trans- Sec. 1 (a). fer on sale of the fee-simple in the lands, or of Sec. 4 (1). any interest in the land, in pursuance of any contract made after the commencement of the Act.

The site value on an occasion of sale of fee- Sec. 2 (2)(a). simple is the consideration for the transfer (subject to deductions as set out in the chapter on Valuation), and, where the transfer is only an interest in land, the site value is to be fee-simple value, calculated upon the basis of the value of the consideration for the interest transferred (subject to deductions as set out in the chapter on Valuation).

### EXAMPLES.

Sale of fee-simple in land buildings and goodwill subsequent to 30th April 1910.

Consideration . . . . .	£2000 0 0
Deductions which could have been made, and were made, at time original site value fixed, say, . . .	£1000 0 0

Carry forward	£1000 0 0	£2000 0 0
---------------	-----------	-----------

Brought forward . . . . .	£1000	0	0	£2000	0	0
Deduction, which could not have been made when original site value fixed (say a goodwill to a business since created) . . . . .	500	0	0			
				1500	0	0
				£500	0	0
Less original site value, say . . . . .	300	0	0			
				£200	0	0
Less 10% of original site value (£300) = . . . . .	30	0	0			
Amount on which increment value duty payable . . . . .	£170	0	0			

£1 on every £5 of £170 = £34, which will be the duty payable.

Where the occasion on which duty is to be collected is the transfer of only an interest in land, say the grant of right of easement to a Corporation to construct a walled passage or culvert under the land for the purpose of carrying aqueducts or lines of pipes, the consideration for the grant of easement covers a good deal more than the site value of the land occupied, because, although the surface may remain with the owner, it, and a certain area adjoining it, are sterilised for certain purposes, and if works are at any time to be put over the site of the culvert the cost of construction may very largely be increased.

Therefore, in such a case, although the consideration for the easements may be taken as the

basis for arriving at the site value of the fee-simple, careful attention must be given to the extraneous matters alluded to, and proper deductions claimed under those heads.

*Provision for refund of Duty paid if transaction falls through.*

Where increment value duty has been paid, Sec. 4 (6). but the transfer on sale, on which the duty was paid, is subsequently not carried into execution, the duty is to be returned on application to the Commissioners within two years from the payment of the same.

*Provision for Payment of Duty by Instalments.*

Where the consideration on a transfer on sale Sec. 4 (5). is in the form of a periodical payment, Commissioners are empowered to make regulations for the payment of the duty by instalments.

NOTE.—These regulations have been made, and a copy is given in the Appendix hereto.

### Lease of Property

Duty is payable by the lessor on the grant of Sec. 1 (a). any lease, in pursuance of any contract made Sec. 4 (1). after the commencement of the Act, for a term exceeding fourteen years (no duty payable if the term of a lease does not exceed fourteen years).

The site value on this occasion is to be fee- Sec. 2. 2 (b).

simple value calculated upon the basis of the value of the consideration for the lease (subject to deductions as set out in the chapter on Valuation).

#### EXAMPLE.

##### *Valuation on Grant of Lease.*

Term say ninety-nine years.

Ground rent, £50 per annum.

Buildings to be erected worth £2500.

##### VALUE OF GROUND RENT AND REVERSION.

at 4% = y.p. 25 of £50 . . . . .	£50	0	0
		25	
	£1250	0	0
Original site value, say . . . . .	1000	0	0
Increment value on lease . . . . .	£250	0	0
Less 10% on original site value of £1000	100	0	0
Amount on which increment value duty payable . . . . .	£150	0	0

£1 on every £5 of £150 = £30, which will be the duty payable.

##### *Credit for Payments made as Increment Duty or Reversion Duty.*

Sec. 14 (4). A person paying increment value duty is to have the benefit of any sum which may have been paid as reversion duty in respect of the same benefit, and he is similarly to have the benefit, on paying reversion duty, of any such sum paid as increment value duty.

*Provision for Refund of Duty paid if transaction falls through.*

When the duty has been paid in full on the Sec. 4 (6). granting of any lease, but the transaction is not subsequently carried into execution, the duty paid is to be returned on application to the Commissioners within two years from the payment of the duty. (*See Appendix for Regulations issued by the Commissioners.*)

*Provision for Payment of Duty by Instalments.*

In the case of a lease where the consideration Sec. 4 (5). is periodical payment, the Commissioners are empowered to make regulations for the payment of the duty by instalments, and, if lease is determined before all the instalments have fallen due, the instalments not then due are to be remitted.

(*These regulations have been made, and a copy is given in the Appendix hereto.*)

**N.B.**—It seems from the foregoing that if a lessor, on the granting of a lease, pays a capital sum by way of duty instead of paying the duty by the alternative methods of instalments, and the lease terminates (owing to breach of covenants, bankruptcy, etc.) after two years from date of payment of duty, the duty paid would not be recoverable, although the payments under the lease, on which the duty was charged, had come to an end.

### On Death of any Person

- Sec. 1 (b). Duty is payable on the passing of property on the death of any person after the commencement of the Act, subject to certain limitations. (*See also Sec. 3 (4); Sec. 5.*)
- Sec. 2. 2 (c). On this occasion when the fee-simple of land is the property passing, the site value is to be the principal value of the land as ascertained for the purpose of Part I. of the Finance Act, 1894, and, where any interest in land passes, the site value is to be the value of fee-simple calculated upon the basis of the principal value of interest as so ascertained, but subject to deductions.

### Properties Held by Bodies Corporate or Unincorporate

- Sec. 1 (c). Duty is payable on the 5th April 1914, and every subsequent fifteenth year, in the case of land held in fee-simple, or for any interest, by Bodies corporate or unincorporate, as defined by Sec. 12 of the Customs and Inland Revenue Act, 1885, in such manner or on such permanent trusts that the land or interest is not liable to death duties.
- Sec. 6 (3). The duty may be paid by fifteen equal yearly instalments, and instalments may be paid up at any time.
- Sec. 6 (2). The account to be delivered under Sec. 15 of

Customs and Inland Revenue Act, 1885, is, in the case of the account to be delivered in year 1914 and every subsequent fifteenth year, to contain an account of increment value of land on preceding 5th April, and that Section is, save as is by the Finance Act otherwise provided, to apply for purpose of increment value duty, whether Body chargeable with duty of Part II. of Customs and Inland Revenue Act, 1885, or not.

The amount of duty which Commissioners Sec. 3 (2). determine to be unsatisfied is to be collected by the Commissioners in accordance with rules made by them for the purpose.

Where the occasion is a periodical one on which Sec. 2 (d). duty is to be collected in respect of fee-simple of land, or of any interest in land, the site value is to be the total value of the land on that occasion, to be estimated in accordance with the provisions of the Act, but subject to deductions.

*Special Provisions for Exemption from Duty of Land held by Bodies Corporate or Unincorporate, and used for Games or Recreation.*

When land is held by bodies corporate or un- Sec. 9. incorporate, without view of profit, *bonâ fide*, for the purpose of games or recreation, then such land is exempt from increment value duty, if the Commissioners are satisfied the land is so used under an agreement which, as originally made, could not be determined within at least five years, or under other circumstances which

would render it probable the land would continue to be so used.

*Flats, Tenements, etc., held by Bodies Corporate or Unincorporate.*

Sec. 10.

Where the interest held by bodies corporate or unincorporate in a separate tenement, flat, or dwelling, is a leasehold interest only, no duty is to be chargeable in respect of such interest on the periodical occasions before mentioned.

Sec. 6 (5).

Bodies corporate or unincorporate are also to be liable to payment of duty, on the occasion of a sale by them of any land, or the grant of any lease of land, as in the case of property held by other owners.

### Depreciation of Site Value

Sec. 2 (3).

Where the site value on any transfer on sale (including mortgage) within twenty years before 30th April 1909 exceeds the site value ascertained under the Act, the owner may apply for such site value to be substituted for site value ascertained under Act.

Application to be made within three months after original site value finally settled.

### Duty already Paid to be Allowed for in Assessing Amount of Duty on Subsequent Occasions

Sec. 3 (1).

The Commissioners are to give credit for the amount of duty paid on previous occasions, and

are to make such apportionments and re-apportionments of any duty paid on previous occasions, as they think necessary for the purpose of giving effect to this provision.

*Example—*

Assume a sale or transfer of a plot of land on four separate occasions, and the following to be the duties payable :—

	<i>Duty payable.</i>
First occasion . . . . .	£50 0 0
Second occasion . . . .	£60 0 0
Less . . . .	50 0 0
	10 0 0
Third occasion . . . .	£80 0 0
Less . . . £50 0 0	60 0 0
	20 0 0
Fourth occasion . . . .	£80 0 0
Less . . . £50 0 0	80 0 0
	Nil.

If the sale or transfers affects only a portion of the previous transactions, then the Commissioners are to apportion the duties paid on previous occasions.

#### EXEMPTIONS.

##### *Agricultural Land.*

The expression ‘Agriculture’ includes the use of land as meadow or pasture land, or orchard,

EXEMPTIONS (*continued*).

or osier, or woodland, or for market gardens, nursery grounds, or allotments, and the expression ‘Agricultural’ is to be construed accordingly.

Sec. 7.

Increment value duty is not to be charged on agricultural land, while it has no higher value than its market value at the time for agricultural purposes only.

Any value in the land, for sporting or other purposes dependent upon its use as agricultural land, is to be treated as value for agricultural purposes only, except where the value for any such purposes exceeds the agricultural value.

*N.B.*—If the value of the land for agricultural purposes be, say £200, but its value for sporting or other purposes be £400, then the exemption does not apply, but it is not quite clear whether the exemption is to go altogether or only in respect of the excess of value over agricultural value, *i.e.* £200 exempt and £200 not exempt.

Sec. 8 (2).

Increment value duty is not to be charged on the increment value of agricultural land where, for twelve months immediately before duty was to be collected, it was and had been occupied and cultivated by the owner, provided—

- (a) Total quantity of the land, together with any other land belonging to same owner, does not exceed fifty acres.

EXEMPTIONS (*continued*).

- (b) Average total value of the land does not Sec. 8 (2). exceed £75 per acre, but exemption does not apply to any land occupied together with a dwelling-house which exceeds £30 per annum for Income Tax purposes under Schedule A.

*N.B.*—Owner may have a farm of 50 acres, but included in that area is a dwelling-house which, with garden and outbuildings, occupy an acre of ground and exceed £30 per annum for Income Tax purposes under Schedule A. In such a case it would seem that the exemption would only apply to 49 acres.

Where the house is valued for Income Tax Sec. 8 (3). purposes, together with other land, Commissioners may determine, for the purpose of increment value duty, what shall be the division in annual value between the dwelling-house and other land.

‘Owner’ includes a ‘lessee’ under lease origin- Sec. 8 (4)(a). ally granted for fifty years or more, but the exemption of such a lessee does not prevent the collection of duty so far as it is payable by the owner of any other interest in the property, say by the freeholder.

Site of dwelling-house includes any offices, courts, yards, and gardens, not exceeding one acre in extent, occupied with dwelling-house.

EXEMPTIONS (*continued*).*Small Houses in Owners' Occupation.*

Sec. 8(4)(a). 'Owner' includes a 'lessee' under lease originally granted for fifty years or more, but the exemption to such a lessee does not prevent the collection of duty so far as it is payable by the owner of any other interest in the property, say by the freeholder.

Sec. 8(4)(b). Site of dwelling-house includes any offices, courts, yards, and gardens, not exceeding one acre in extent, occupied with dwelling-house.

Sec. 8(1). Increment value duty is not to be charged on the increment value of any land site of a dwelling-house, where the house was, and had been for twelve months before duty was to be collected, used as owner's residence, and the annual value of the house, as adopted for the purpose of Income Tax under Schedule A, does not exceed in—

London . . . . .	£40	0	0
Boroughs or urban districts, population 50,000 or upwards last census . . .	26	0	0
Or elsewhere . . . . .	16	0	0

Sec. 8(3). Where the house is valued for Income Tax purposes, together with other land, Commissioners may determine, for the purpose of increment value duty, what shall be the division in annual value between the dwelling-house and other land.

EXEMPTIONS (*continued*).*Flats, Tenements, etc.*

Where a building is used for the purpose of Sec. 11. separate tenements, flats, or dwellings, no increment duty is to be paid on the granting of a lease, sale, or the passing on death, of any such separate tenement, flat, or dwelling.

NOTE.—If the whole building is either let on lease, sold, or passes on death, then it would seem that increment value duty is to be payable in the usual way.

*Crown Lands.*

Land held by, or in trust for, the Crown or Sec. 10 (1) any Government department, is exempt from <sup>and (2).</sup> duty, but where lands are sold or leased to the Crown, increment value duty is to be paid by the transferor or lessor.

*Lands held by Rating Authorities.*

Lands held by Rating Authorities are exempt, Sec. 35 (1). whether occasion is sale of land, grant of lease, or periodical occasions.

Defines expression ‘Rating Authorities’ as Sec. 35 (2). any body who have power to raise a rate or administer money raised by a rate. ‘Rate’ is also defined.

*Lands held by Charitable Bodies and Registered Societies.*

Increment value duty is not to be collected Sec. 37 (1). on any periodical occasion in respect of—

EXEMPTIONS (*continued*).

Lands held by or on behalf of any governing body constituted for charitable purposes, whether the land is occupied and used by such a body or not, but without prejudice to collection of the duty on any other occasion.

This Section also applies to registered societies, and to companies, and other bodies, where the company, or body, is precluded from dividing profit amongst their members.

The Section defines expressions, ‘Governing Body constituted for charitable purposes, and Registered Societies.’

*Lands held by Statutory Companies.*

Sec. 38.

This exemption is specially dealt with in Chapter V.

*Lands held by Bodies Corporate or Unincorporate.*

Exemptions in favour of these bodies have already been dealt with.

## GENERAL.

Sec. 39 (1), (2), (3). This Section deals with the duty in the case of settled lands, or lands vested in a trustee.

Sec. 39 (4). A mortgagee is to be entitled to add to his security any sum he is liable to pay for duty, including costs and expenses properly incurred by him in respect to payment of duty.

## CHAPTER III

### REVERSION DUTY

#### *What is the Duty?*

This is a duty to be charged, levied, and paid Sec. 13 (1). on the value of the benefit accruing to a lessor on the determination of a lease, subject to certain exemptions as set out.

The duty is at the rate of £1 for every complete £10 of that value (£10%).

This duty is recoverable from a lessor as a Sec. 15. debt to the Crown, and a lessor is, on determination of lease, to deliver an account to the Commissioners setting forth the particulars of the land, and the estimated value of the benefits accruing to the lessor.

If a lessor fails to deliver the account within three months after determination of lease, he is liable to a penalty of 10% upon the duty payable, and a like penalty for every three months after the first month during which the failure continues.

#### *What is the Benefit accruing to Lessor?*

The value of the benefit accruing to the lessor Sec. 13 (2). is to be the amount (if any) by which the total

value of the land at the time the lease determines exceeds the total value of the land at the time of the original grant of the lease, subject to certain exemptions as set out on pp. 36 and 37.

*How Value at Time of original Lease is ascertained.*

Sec. 13 (2) The value of the land at the time of grant of lease is to be ascertained on the basis of the rent reserved, and payments made in consideration of the lease (including, in cases where a nominal rent only has been reserved, the value of any covenant or undertaking to erect buildings or expend sums upon the property).

NOTE.—Where a lessor comes into a freehold reversion no deductions would, in a majority of cases, arise on total value under the head of fixed charges or encumbrances.

Where the reversion is less than a freehold the duty is payable only on the smaller interest.

*Deductions Lessor may make.*

Sec. 13 (2). A lessor is at liberty to make a deduction of any part of the total value which is attributable to any works executed, or expenditure of a capital nature incurred by him during the term of lease (say in enlarging or altering the premises), and of any compensation payable by lessor at the determination of lease (say for fixtures, etc.).

A lessor may also make a deduction from Sec. 36. value of benefit accruing to a lessor for amounts paid to any Rating Authority in respect of betterment due to improvements by the Authority.

### EXAMPLES.

Take a reversion purchased before the date of the Act with more than forty years to run, and

Assume a lease granted in . . . . .	1814
Term of years . . . . .	99
Expiring in . . . . .	1913

Ground-rent £5 per annum, plus a premium of £125, which is really capitalised rent, say in this case £5 per annum, capitalised at twenty-five years' purchase.

Lessee, by agreement with lessor, makes permanent improvements during the last seven years at a cost of £500, with an undertaking by lessor to repay him, on the determination of lease, one-half of his expenditure, viz. £250.

During the last three years further improvements required which will permanently enhance value of premises, but lessee unable to spend money on so short a residue, so lessor himself does the work at a cost of, say, £500, receiving, as additional rent, 5% on his outlay.

Rack rental £200 per annum when reversion falls in. Under the above conditions a valuation

would be made somewhat on the following lines :—

*Value of Land and Buildings (fee-simple free from encumbrances) at date Reversion falls in.*

Rack rental, £200 per annum, 18 y.p. (lessee doing all repairs and paying rates) . . . £3600 0 0

*Less*

Expenditure by lessor . £500 0 0

Compensation to lessee as

on page 33 . . . 250 0 0

Value of land

at grant of

lease, that is,

ground-rent

of £5 p.a. @

25 y.p. . £125 0 0

Premium paid

(which is cap-

italised rent) 125 0 0

£250 0 0	£1000 0 0
<hr/>	<hr/>
£2600 0 0	

Deductions may be made where applicable for the value of any special covenant there may be to expend certain sums in consideration of a nominal rent, and also for any capital payment in respect of betterment.

Reversion duty will in above case be payable at £1 on every £10 of £2600, viz. £260.

The reversionary interest may possibly have paid increment duty, say on the occasion of a sale, or on death before the reversion fell in, and from the reversion duty of £260 shown in the example should be deducted any payment

which may have been made in the shape of increment value duty on increment value identical with same benefit. (Sec. 14 (4).)

Take the case where the reversion which falls in is less than a freehold, say a reversion to a term of twenty-four years, as follows:—

A has a lease for ninety-nine years of land granted in 1860 at a ground rent of £5 per annum.

In the same year he grants a sub-lease to B for seventy-five years at an improved ground rent of £10 per annum, expiring in 1935.

Sub-lessee to make all expenditure in erecting buildings and to be subject to full repairing covenants.

Reversion to A would be twenty-four years of original term.

When the sub-lease to B falls in, in 1935, the duty payable would appear to be arrived at as follows:—

Annual Rack rental at date reversion falls in (tenant paying all rates and outgoings other than ground rents), say	.	.	.	.	.	£100	0	0
<i>Less</i> ground rent	.	.	.	.	.	5	0	0
<hr/>								
Profit rental	.	.	.	.	.	£95	0	0
£95 for twenty-four years @ 6 %	.	.	.	.	.	£1187	0	0
<hr/>								
<i>Less</i> value of land at grant of sub-lease, <i>i.e.</i> ground rent of £10 p.a. subject to rent of £5. £5 p.a. @ 25 y.p.	.	.	.	.	.	125	0	0
<hr/>								
						£1062	0	0

£1 on each £10 of £1062 = £106, which would be the duty payable.

#### EXEMPTIONS.

- Sec. 14 (1). (a) Reversion purchased before 30th April 1909, where lease has only forty years or less to run from date of purchase, but this is not to apply where the lease is determined within a period of forty years, by agreement between the lessor and the lessee, outside the lease itself.
- Sec. 14 (2). (b) Land where at time of determination of lease the land is agricultural land.  
(Expression 'Agriculture' includes the use of land as meadow or pasture land, or orchard, or osier, or woodland, or for market gardens, nursery grounds, or allotments, and the expression 'Agricultural land' is to be construed accordingly.)
- (c) Leases where original term did not exceed twenty-one years, or where interest of Lessor expectant on determination of Lease does not exceed twenty-one years.
- Sec. 35 (1). (d) Land held by Rating Authorities.  
Sec. 35 (2). (Expression 'Rating Authorities' is defined as any body which has power to raise a rate or administer money raised by a rate. 'Rate' is also defined.)
- Sec. 37 (1). (e) Lands held by or on behalf of any governing body constituted for charitable purposes while the land is occupied and used by such a body for the purposes of that body.

EXEMPTIONS (*continued*).

(This Section also applies to registered societies and to companies and other bodies where the company or body is precluded from dividing profit amongst its members.)

(The Section defines a 'Governing Body' constituted for charitable purposes, and also a 'Registered Society'.)

(f) Lands held by Statutory companies, but Sec. 38 (2). this exemption is specially dealt with elsewhere.

(g) Reversion to mining lease.

Sec. 22 (1).

*Allowance where original term is cut short.*

Where a lease of any land is determined, Sec. 14 (3). before the expiration of the term, by agreement between the lessor and lessee, and a fresh lease is then granted to lessee, the term of which extends at least twenty-one years beyond original term, Commissioners are to make an allowance in respect of the duty payable of  $2\frac{1}{2}\%$  for every year of original term of lease unexpired when lease so determined. No such allowance is to exceed 50% of the duty payable.

## EXAMPLE.

Take the case illustrated on p. 34, where the reversion duty would be £260, and assume that lease was determined by agreement between the lessor and lessee five years before it would have run out in the ordinary course of events, and a new term granted for thirty years from the date

lease so determined by agreement. Then the Commissioners are to allow from the duty of £260,  $2\frac{1}{2}\%$  for each of the five years unexpired of the original term, viz. £32, 10s., made up as follows :—

$2\frac{1}{2}\%$ of £260 . . . . .	£6 10 0
Years unexpired . . . . .	5
Allowance to be made . . . . .	<u>£32 10 0</u>

but the allowance not to exceed 50% of the whole duty payable.

So that if, instead of the lease being cut short five years before its normal course had run, it is terminated twenty-five years too soon, and a new lease granted, say for seventy-five years, we then get the following calculation :—

$2\frac{1}{2}\%$ of £260 . . . . .	£6 10 0
	25
Allowance . . . . .	<u>£162 10 0</u>

But as 50% of £260 only gives £130, the allowance would be made up to that amount instead of to £162, 10s. 0d.

*Allowance where Increment Value Duty has been paid.*

Sec. 14 (4). A reversioner on paying reversion duty is to have the benefit of any sums which may have been paid as increment value duty in respect of the same benefit, and, similarly, he is to have

the benefit on paying increment value duty of any sum paid as reversion duty.

*Mortgagees Liability.*

Where a reversion, mortgaged before 30th Sec. 14 (5). April 1909, is foreclosed before the lease on which the reversion is expectant determines, the mortgagee is not liable for reversion duty in excess of the amount by which total value of land at determination of lease exceeds amount payable under mortgage at the date of foreclosure.

A mortgagee is to be entitled to add to his Sec. 39 (4). security any sum he is liable to pay for duty, including costs and expenses properly incurred by him in respect of payment of duty.

*Settled Land or Land vested in a Trustee.*

This is a provision as to dealing with the duty Sec. 39. in the case of settled land, or land vested in a trustee.

## CHAPTER IV

### UNDEVELOPED LAND DUTY

**Sec. 16 (4).** Undeveloped land does not for the purposes of undeveloped land duty include minerals.

#### *What is the Duty ?*

**Sec. 16 (1).** This is a duty which is to be charged, levied, and paid for financial year ending 31st March 1910, and every subsequent financial year.

**Sec. 16 (3).** The duty is at the rate of one halfpenny for every £1 (4s. 2d.%) of the site value, adopted as

**Sec. 28.** the original site value, or the site value ascertained as on 30th April 1914, and in every

**Sec. 36.** subsequent fifth year, but a deduction can be made from the site value in respect of any amounts paid to a Rating Authority in respect of betterment due to improvements by the Authority, and there are a number of exemptions from the duty, which are fully dealt with on pp. 45-52.

**Sec. 19.** The duty is to be assessed by the Commissioners, and to be payable at any time after the 1st of January in the year for which the duty is charged.

The duty is a debt to the Crown, and is to be borne by the owner, notwithstanding any contract to the contrary.

If the duty is not assessed within the year for which it is charged, owing to there being no value either shown in the provisional valuation, or finally settled, on which duty could be assessed, or for any other reason, the duty may be assessed at any time, and is to be payable after two months from date of assessment ; but no duty is to be assessed more than three years after the expiration of year for which it is to be charged.

The duty is to be levied on undeveloped land, Sec. 16 (2). and the definition of this is :—

### *What is Undeveloped Land ?*

Land shall be deemed to be undeveloped land, if it has not been developed by the erection of dwelling-houses or of buildings for the purposes of any business, trade, or industry, other than agriculture (but including glasshouses or greenhouses), or is not otherwise used *bonâ fide* for any business, trade, or industry, other than agriculture.

Expression ‘Agriculture’ includes the use of Sec. 41. land as meadow or pasture land, or orchard, or osier, or woodland, or for market gardens, nursery grounds, or allotments, and the expression ‘Agricultural land’ is to be construed accordingly.

### *Land must be continuously developed.*

To escape this tax it is not, however, sufficient Sec. 16 (2).  
(a). merely to develop and use the land in the manner

specified; it must be continuously so developed and used, otherwise it reverts to the condition of undeveloped land, on the expiration of one year after the buildings become derelict, or the land ceases to be so used.

Sec. 16 (2) Where land which has been so developed or used reverts to condition of undeveloped land, owing to buildings becoming derelict, or land ceasing to be so used, it is, after being derelict or disused for one year, to be treated again as undeveloped land.

*Expenditure with View to Development.*

Sec. 16 (b). Where the owner of any land included in any scheme of land development shows that he or his predecessors have, with a view to development or use of land, incurred expenditure on roads, including paving, curbing, metalling, and other road works or sewers, that land is, to the extent of one acre for every complete £100 of expenditure, to be treated as developed or used, although, for the time being, not actually so developed or used.

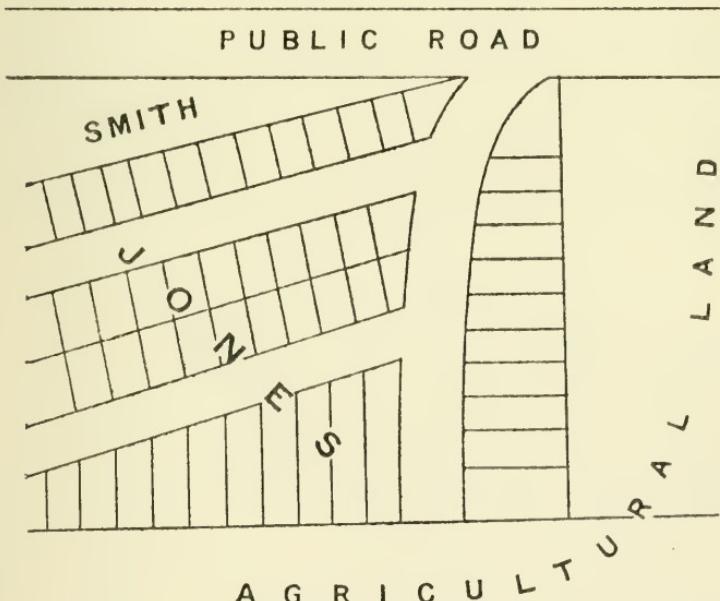
No expenditure is to be taken into account if ten years have elapsed since the date of expenditure, or if, after date of expenditure, the land, having been developed, reverts to condition of undeveloped land.

In a case where the amount of expenditure does not cover the whole of the land included in scheme of development, the part of the land to

be treated as developed or used is to be determined by Commissioners as being the land with a view to the development or use of which the expenditure has been, in the main, incurred.

#### EXAMPLE.

An owner (Jones) may have two or more fields which he intended to develop for building purposes, but for some reason the scheme did not mature. He may have prepared a plan showing a scheme somewhat as given on sketch :—



and actually laid out a portion of the roads nearest the public road, spending say £500 in doing so.

In that case, the Commissioners will treat five acres of the land as having been developed, and will determine which five acres are to be so treated, but no expenditure is to be taken into account if ten years have elapsed since the date of expenditure, or if, after date of expenditure, the land reverts to the condition of undeveloped land. (See paragraph under Sec. 16 (2) (a), p. 41.)

*Allowance where Increment Value Duty has been paid.*

Sec. 16 (3). Where increment value duty has been paid in respect of increment value on undeveloped land, the site value of that land, for the purposes of assessment and collection of undeveloped land duty, is to be reduced by a sum equal to five times the amount paid as increment value duty.

#### EXAMPLE.

Land.—Original site value for increment value purposes, as on 30th April 1909,	.	.	.	.	.	.	£500	0	0
Subsequent transfer on sale in 1912 at	.	.	.	.	.	.	£600	0	0
Less 10% of original site value	.	.	.	.	.	.	50	0	0
							£550	0	0
Less original site value	.	.	.	.	.	.	500	0	0
							£50	0	0
Increment value duty paid at 20% on £50	.	.	.	.	.	.	10	0	0

then the undeveloped land duty payable in 1912 would be arrived at as follows :—

Site value as on 30th April 1909, . . .	£500	0	0
Reduction, for purpose of assessment and collection of undeveloped land duty, viz. five times the £10 paid in increment duty as shown above . . . . .	50	0	0
Amount on which undeveloped land duty is to be charged . . . . .	£450	0	0
Annual duty—½d. in £ on £450— . . . . .	£0	18	9

### *Exemptions.*

There are a number of exemptions from this Sec. 17. duty, viz. :—

Any land where site value does not exceed £50 per acre.

Where the site value of agricultural land exceeds £50 per acre, duty only to be charged on the amount by which the site value of the land exceeds the value of the land for agricultural purposes.

NOTE.—In many cases land which a few years ago was clearly nothing more than purely agricultural land is to-day, owing to the growth of the town in that direction, or the opening of large works immediately adjoining, and which employ hundreds of men, quite ripe for building development ; or it may be that a portion of the land only is sufficiently ripe, but the remainder of it has a value as accom-

modation land, quite above its value as agricultural land.

Sec. 29.

In those cases provision is made in Sec. 29 for apportionments and re-apportionments of site values, *i.e.* if the site value has been fixed on the whole field of several acres, and about one-third of it is ripe for development, while the remaining two-thirds are not so ripe and continue to be used as agricultural land, it is only fair that the site value should be apportioned as between the two classes into which the land has become divided, so that the two-thirds shall be only charged undeveloped land duty on the value it may have, exceeding agricultural value.

Sec. 17 (5).

Where agricultural land is, at the date of the Act, held under a tenancy originally created by lease or agreement made before 30th April 1909, undeveloped land value duty is not to be charged during the original term while tenancy continues thereunder; but where the landlord has power to determine the tenancy of the whole or part of the land, the tenancy of the land, or the part, is not to be deemed (for the purposes of the Act) to continue after the earliest date, after the commencement of the Act, at which it is possible to determine tenancy.

NOTE.—The idea here evidently is that where agricultural land has, by a lease or agreement

made before the passing of the Act, been let for the purpose of agriculture, and possibly cannot, during the term so created, be used for any other purpose, although such land is to all intents and purposes undeveloped land within the meaning of the Act, then, until that lease or agreement can be got rid of, the whole or the part of the land so tied shall not be liable to the undeveloped land duty on any site value there may be, which may be in excess of the value of the land for agricultural purposes.

Site value of agricultural land occupied and cultivated by an owner is exempt from undeveloped land duty where the total value of that land, together with any other land belonging to that owner, does not exceed £500, and the term ‘Owner’ includes a lessee under a lease originally granted for fifty years or more.

The duty is also not to be charged on site value of any—

- (a) Parks and gardens, or open spaces, open to public as of right.
- (b) Woodlands, parks, gardens or open spaces, to which public enjoy reasonable access (including access regularly enjoyed by naval or military forces), and where, in Commissioners’ opinion, access is of public benefit.
- (c) Any land, where it is shown to the Commissioners it is being kept free of

buildings in pursuance of definite scheme, whether framed before or after date of Act, for the development of the area of which the land forms part, and where, in the opinion of the Commissioners, it is reasonably necessary in the public interest, or, in view of the surroundings of the neighbourhood, that the land should be kept free of buildings.

When any land has been so kept free from buildings, and has received the benefit of an exemption, that land is not to be built upon, unless Local Government Board give consent on being satisfied that it is desirable, in the interests of the public, that the restriction on building should be removed, and any such consent may be given subject to such conditions as to the mode in which land is to be built upon as Local Government Board think desirable under the circumstances.

NOTE.—It will require very serious consideration before deciding to claim exemption under these conditions, seeing that the price to be paid by the land-owner is the placing in the hands of the Local Government Board the control of the building development of that portion of his property.

- (d) Any land *bonâ fide* used for games or other recreation, where the Commissioners are satisfied land is so used under some agreement with the owner which, as originally made, could not be determined for five years, or where, in the opinion of Commissioners, other circumstances render it possible land will continue to be so used.

Duty is not to be charged on site value of Sec. 17. land, not exceeding an acre in extent, occupied with a dwelling-house, or on site value of gardens or pleasure-grounds so occupied, where site value of the gardens and pleasure-grounds, together with the site value of house, does not exceed twenty times annual value of the gardens, pleasure-grounds and house, as adopted for the purpose of Income Tax under Schedule A.

#### EXAMPLE.

Site value of house, gardens, or pleasure-grounds.

Half-acre fronting road, say,	.	.	£400	0	0		
Half-acre back land, say	.	.	200	0	0		
				Site value	£600	0	0

Annual value as adopted for Income Tax  
under Schedule A, say £50  $\times$  20 . . . £1000 0 0

In this case the exemption applies; but take the case in a town, where land at the spot might

be selling at, say, 10s. per square yard, but an old-fashioned house and grounds still exist, and are let on a repairing lease at £50 per annum; then the valuation would be very different. The land might be surrounded on all sides or on two sides by roads, and be quite ripe for building development, therefore—

Site value say for 3 roods (3630 sq. yds.)						
@ 10s. per. sq. yd. . . . .	£1815	0	0			
Site value say for 1 rood (1210 sq. yds.) @						
3s. 4d. per sq. yd. . . . .	201	13	4			
Total Site value . . . . .	£2016	13	4			
Annual value as adopted for Income Tax under Schedule A, £50 × 20 . . . . .	1000	0	0			
Leaving a taxable difference of	£1016	13	4			

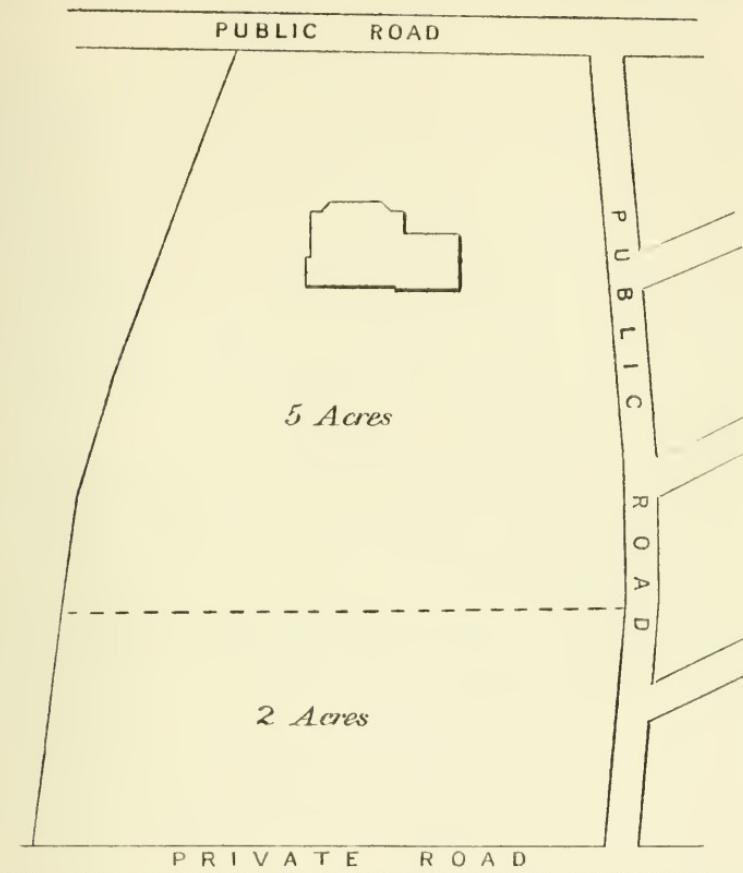
In this case there is a large amount on which undeveloped land duty might be charged.

Sec. 17 (4). There are to be no exemptions for more than five acres, and where there are more than five acres, the five acres to be exempted are those to be determined by the Commissioners as the most adapted for use as gardens, or pleasure-grounds, in connection with house.

The sketch on next page shows a house and grounds, the total area of which is seven acres.

In such a case the Commissioners would doubtless decide that the exemption should not apply to the two acres adjoining the private road.

Where house and grounds are valued for purpose of Income Tax under Schedule A, together



with other land, the total value is to be divided in such manner as Commissioners determine.

#### *Lands held by Rating Authorities.*

Lands held by Rating Authorities are exempt, Sec. 35 (1). and the expression Rating Authority is defined as any Body who have power to raise a rate, or Sec. 35 (2). administer money raised by a rate.

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Sec. 35.

‘ Rate ’ is also defined in this Section.

### *Lands held by Charitable Bodies and Registered Societies.*

Sec. 37 (1).

There is also an exemption in the case of lands held by or on behalf of any Governing Body constituted for charitable purposes, while the land is occupied and used by such a body for the purposes of that body ; and the exemption also applies to lands held by Registered Societies and to Companies and other Bodies where the Company or Body are precluded from dividing profit amongst their members.

Sec. 37 (1).

The Section defines what is a ‘ Governing Body constituted for charitable purposes ’ and ‘ Registered Society.’

Sec. 38.

*Statutory Companies* have also exemption, but this exemption is specially dealt with in the next chapter.

## CHAPTER V

### SPECIAL PROVISIONS FOR STATUTORY COMPANIES

Statutory companies, such as railway companies, etc., acquire their lands under the powers given them by their Special Acts, and the majority of their purchases are made under the compulsory provisions of the Special Acts. Such being the case, it has evidently been recognised that companies of this kind have paid prices which are far in excess of the ordinary market value of the land, and, of course, in many cases have had to buy out and destroy a large business, thus adding considerably to the site cost to them. Moreover, statutory companies are authorised to hold land for specific purposes, and, if it be not used for those purposes within defined periods, the land so unused becomes surplus land and must be sold, unless, of course, the period for holding the land is from time to time extended by Parliament.

The provisions, therefore, which would apply to an ordinary landowner who, as far as public control is concerned, is unfettered in the development of land, could not apply to statutory companies, who can only hold, use, and develop

their lands within the scope of their Parliamentary powers, and a clause is contained in the Act to the following effect, viz. :—

Sec. 38 (1).      Neither increment value duty, reversion duty, nor undeveloped land duty is to be charged in respect of any land whilst it is held by a statutory company for the purposes of their undertaking, and cannot be appropriated by the company, except to those purposes, but nothing in the provision is to prevent the collection of increment value duty when the land is sold or ceases to be so held.

The provision is not to be construed so as to exclude from its benefit land held by a statutory company which is intended to be ultimately appropriated for the purpose of works forming or to form part of the company's undertaking, but which, pending the carrying out of those works, is used for other purposes.

Sec. 38 (2).      The Commissioners are not to require a statutory company to make any returns with respect to any such land for the purposes of the valuation provisions of the Act, other than the actual cost to the company of the land, and that cost is, for the purposes of the Act, to be substituted for the original site value of the land.

For the purposes of the Lands Clauses Acts, Sec. 38 (3). as incorporated with any Special Act, the amount (if any) payable by the transferor as increment value duty is not to be treated as part of the costs or expenses of a conveyance of land, and is not to be taken into account in assessing the compensation to be paid to the transferor.

For the purposes of the Section, the expression 'Statutory Company' means any railway company, canal company, dock company, water company, or other company who are for the time being authorised under any Special Act to construct, work, or carry on any railway, canal, dock, water, or other public undertaking, and includes any person or body of persons so authorised.

Expression 'Special Act' includes any Provisional Order or Order having the force of an Act of Parliament.

Statutory companies, under the above provisions, are only exempt while they hold their lands for the purposes of their undertaking, or are holding the lands with the view to ultimately appropriating them for the purpose of works to form part of their undertaking, although, for the time being, the land may be let off, or used for purposes other than those of the statutory company.

When, however, a statutory company sells any of its land, or ceases to hold it for the purposes of its undertaking, then it is to be in the same position as an ordinary landowner.

In that case the provision, under the sub-clause (2), comes into operation as regards the basis of valuation to be adopted for ascertaining the amount of increment or benefit to accrue to the company, on which duty could be charged under the heads of increment value duty, reversion duty, or undeveloped land duty, *i.e.* the original site value has been fixed as the actual cost to the company of that land.

The cost to the company has been, not only the purchase and compensation money shown in the deed (which, in some cases, will cover large sums paid for injuriously affecting portions of an estate not taken by the company, and also for buildings subsequently removed by the company and businesses destroyed, but paid for as ‘going concerns’), but the legal and other costs attending the purchase. In some cases where a prolonged arbitration has been necessary under the provisions of the Special Act, in order to determine the purchase and compensation money, the costs may have run into many hundreds of pounds, and they are an essential part of the actual cost to the company of the land; for clearly the company could not have had the land without incurring that cost.

The following might be taken as typical of

such a case arising under the head of increment value duty :—

*Fee-simple of Land and Buildings purchased by a Statutory Company—Area 1000 Sq. Yds. (say Engineering Works).*

Purchase-money for land, buildings, and machinery . . . . .	£5000	0	0
Compensation for trade disturbance, and goodwill . . . . .	3000	0	0
Arbitration costs and conveyancing . . . . .	500	0	0
			<hr/>
	£8500	0	0

There would be something realised by the sale of the machinery and old material in the building, say, . . . . . £500 0 0

$$\underline{\underline{£8000 \quad 0 \quad 0}} = £8 \text{ per sq. yd.}$$

The original site value would, under the terms of subclause 2, be in this case £8000 = £8 per sq. yd.

Assume building to be taken down, and 500 square yards used for the purposes of the undertaking. The surplus of 500 square yards might at some time be sold, and its cost to the company (which would represent original site value) would have been £4000, whereas the selling value of land at that point might never under ordinary conditions exceed, say, £2 per square yard, or £1000 for the 500 square yards of surplus land. In that case, the company would always escape payment of duty, and, of course, until it was declared surplus, it could not be

regarded as coming within the scope of undeveloped land duty.

There are, however, cases where the special clause would act in the contrary direction. Take the case of land purchased by a statutory company such as a water company or canal company, some two hundred years or more ago, where the price paid was £20 or £30 per acre or less, and the land now is in the centre of a populous district or on the fringe of it, and, possibly, might be in a busy part of London, and worth anything from £1 to £20 or more per square yard, *i.e.* £4840 to £96,800 or more per acre. Then the statutory companies are, by their special clause, worse off than the ordinary owner, whose datum line, from which increment value duty will be calculated, will be fixed as the value it had as bare land on the 30th April 1909.

Here is an illustration.

An exchange of land is proposed between a statutory company and Jones. Lands of equal value. Area in each case 2000 square yards.

Original site value of land belonging to Jones, as fixed by Commissioners on 30th April 1909 (and assume no in- crease in value since that date), say .	£2000 0 0
Statutory company's land at date of ex- change must, under circumstances given, be of the same value as that they take from Jones, <i>i.e.</i> £2000 . . . .	2000 0 0
But, for increment value duty purposes, statutory	

company are to show what the land they are parting with cost them.

Assume it formed part of a large area purchased one hundred years ago at even £100 per acre (including costs), *i.e.* 5d. per square yard, we should then have a calculation somewhat as follows :—

*Jones.*

Land proposed to be exchanged.

2000 sq. yds., value £2000, which is the original site value, therefore no increment value duty payable by Jones.

*Statutory Company.*

Land proposed to be exchanged, 2000 sq.

yds. (same value as that of Jones) . £2000 0 0

Less for purpose of increment value duty

10% on £41, 13s. 4d., being original site

value of 2000 sq. yds. @ 5d. 10% on

£41, 13s. 4d. . . . . 4 3 4

£1995 16 8

£1 on each £5 of £1995 = £399, which would be the increment value duty payable in such a case by the statutory company.

Jones retains his value . . . . . £2000 0 0

Statutory company out of their £2000

lose in increment value . . . . . 399 0 0

If, however, there were buildings on the land to be exchanged, bringing in a rental which would be sacrificed in order to make the exchange, the valuation, so far as the statutory company is concerned, then would take some such form as this, because the increment is clearly less the rental lost after allowing for site rental.

Land and buildings proposed to be ex-						
changed, value . . . . .					£2000	0 0
Less for purposes of incre-						
ment value duty 10%						
on £41, 13s. 4d., being						
original site value of 2000						
sq. yds. @ 5d. . . . .					£4	3 4
Net rental of £80 per annum						
made up as follows:—						
Land, 2000 sq.						
yds. @ 5s.						
per sq. yd.						
= £500 @ 4% = £20 0 0						
Buildings cost						
£1200 @ 5% . 60 0 0						
				£80	0 0	
Loss of rental of buildings						
£60 per ann., say 18 y.p. =				1080	0 0	
						1084 3 4
Increment . .					£915	16 8

Incerement value duty payable by statu-  
tory company, say 20% on £915 = . £183 0 0  
So Jones still retains value . . . . £2000 0 0  
Statutory company out of their £2000  
value lose in increment value duty . £183 0 0

It is therefore necessary that very careful consideration shall be given by the advisers of statutory companies of every case where a sale of their land is to be made, because it may be found in some cases that, to sell land, and then face the payment of duty, might mean an actual loss to the company, on the state of matters

existing in respect to the land then under consideration.

In the second example given above, the net capital left in the hands of the company, if invested at 3%, would only realise £54, 10s. per annum, against the £60 per annum they sacrificed on buildings, while an investment of the £2000 at 3% would have given a return of £60. The duty, therefore, eats away the profit in that case.

Subclause 1 does not provide for payment of increment value duty where there is a grant of a lease by a statutory company, as, no doubt, all companies have power to resume possession, on comparatively short notice, in the event of the land being required for the purposes of the undertaking of the company, and presumably the words in the clause, ‘but pending the carrying out of those works, is used for other purposes,’ are intended to cover such cases.

Statutory companies traversing, as some do, hundreds of miles, intersect the means of communication (both by road drainage and otherwise) between different parts of a district, and such companies are constantly required, by agreement or compulsion, to grant necessary facilities for crossing their undertakings.

The consideration paid in some cases for these crossings is a good deal more than the actual site value, represented by the number of square yards occupied by the crossing, either above or below the surface, say in the case of a bridge, sewer, or

water-main over or under a railway or canal. Signal arrangements may be interfered with, sidings may be required to be altered, etc., and there is always the risk to be taken by the statutory company of having at some time, owing to the exigencies of their undertaking, to face the possibility of having, at their own cost, to alter or otherwise to deal with the works carried across their undertaking.

Therefore, unless the company can get the licensees to take that risk themselves, a sum is usually added to the compensation to cover it.

The consideration for the grant of such an easement will accordingly require very careful examination and deduction before it is accepted by the statutory company, as the sum upon which increment value duty on that occasion is to be based.

NOTE.—The general valuations to be made in accordance with the provisions of the Act, and the values on which duty is from time to time paid, may possibly be of some assistance to Statutory Companies when settling claims for lands required by them under compulsory powers.

## CHAPTER VI

### MINERAL RIGHTS DUTY AND PROVISIONS AS TO MINERALS

#### *What is the Duty?*

This is a duty called Mineral Rights Duty, Sec. 20 (1), which is to be charged, levied, and paid for the financial year ending 31st March 1910, and every subsequent financial year, at the rate of one shilling in the £ (5%) on the rental value of all rights to work minerals, and of all mineral way-leaves.

#### *Exemptions from Duty.*

The duty is not to be charged in respect of Sec. 20 (5). common clay, common brick clay, common brick earth, sand, chalk, limestone, or gravel.

#### *Assessment and Payment of Mineral Rights Duty.*

Mineral Rights Duty is to be assessed by the Sec. 20 (4). Commissioners, and to be payable at any time after the 1st January in the year for which duty is charged.

It is to be recoverable as a debt to the Crown from the proprietor, where he is working the minerals, and, in any other case, from the immediate lessor of the working lessee.

The immediate lessor cannot contract out of payment.

*Information to be furnished to Commissioners.*

Sec. 20 (3). Proprietors of minerals, and persons to whom rent is paid in respect of right to work minerals or of any wayleave, are, upon notice given to him by the Commissioners requiring particulars of amount received for right or wayleave, as the case may be, and

Where the proprietor is working the minerals, particulars as to the minerals worked, to make a return in the form required by the notice, and within the time to be specified (but not less than thirty days), and, in default, is to be liable to a penalty not exceeding £50.

*How Rental Value is to be arrived at.*

Sec. 20 (2). The rental value is to be taken to be—

(a) Rent paid by the working lessee, in the last working year under a mining lease, in respect of right to work minerals.

(b) Where minerals are worked by the proprietor, then the sum which the Commissioners determine he would have received as rent in the last working year from a working lessee, if the minerals had been worked to the same extent, and in the same manner in both cases. Commissioners are to serve a copy of their rent valuation on the proprietor.

- (c) In the case of a mineral wayleave, the amount of rent paid by the working lessee in the last working year, in respect of wayleave.

If it is shown to the Commissioners, in any Sec. 20. special case, that the rent paid by a working lessee exceeds rent customary in the district, and proprietor has made an expenditure which ordinarily would have been borne by the working lessee, and the rent paid covers a return on that expenditure, the Commissioners are to substitute, for such rental of right to work minerals or the mineral wayleaves, such rent as Commissioners determine would have been the customary rent in the district if lessee had made the expenditure.

NOTE.—The proprietor is not to be taxed on his own expenditure. He may have sunk a shaft or done some other work which the working lessee, if a man of capital, would in the ordinary course have done himself, and the proprietor in that case may be collecting, by way of additional rent, a sum sufficient to repay this expenditure. Suppose the amount spent to be £300, and the term of lease ten years. The proprietor would require £25 per annum to enable him to get back the £300 with 4% interest in ten years.

Where, in any special case, Mineral Rights Sec. 21 (4). Duty has been charged on a rental value

based on a rent substituted for the rent actually paid by the working lessee,  
or,

Where, in any special case, rental value with reference to which increment value duty is charged, has been reduced for the purpose of the collection of that duty,

the Commissioners are, on application of any lessor from whose rent a deduction may be made in either of the cases, to make a corresponding substitution or reduction as regards that rent, if they consider the grounds for the substitution or reduction are applicable in the case of the rent with respect to which the application is made.

Sec. 24.

Where the circumstances of a district are such that, in Commissioners' opinion, it is impracticable to fix a sum which would satisfactorily represent a rent customary in the district, then the rent which would be paid under similar circumstances and ordinary conditions elsewhere shall be substituted.

Sec. 24.

'*Rent*' includes yearly or other rent, and also any fine, premium, or foregift, and any payment, consideration, or benefit of that nature.

Where any rent is paid, otherwise than in money or money's worth, then the amount of rent is to be the sum the Commissioners consider to be the value thereof.

#### *Working Years defined.*

Sec. 24.

'*Working Year*' is defined as the year ending

30th September, or such other day as may be approved by the Commissioners.

'*Last working year*' means the working year Sec. 24. completed immediately before the 1st January in any financial year for which duty is paid.

### *Who is Immediate Lessor?*

When there is an intermediate lease of minerals Sec. 21 (1). or of wayleave, the original lessee becomes a lessor to a sub-lessee, and is designated 'Immediate Lessor.'

### *Immediate Lessor may deduct Duty from his Rent.*

An immediate lessor who, under the Act, pays Sec. 21 (1). any mineral rights duty, and is himself a lessee of the minerals being worked or of the wayleave, is to be entitled to deduct from the rent paid by him to his lessor in respect of the right to work the minerals or the wayleave, a sum equal to the mineral rights duty on a rental value of the same amount as the rent payable.

Any person from whose rent such a deduction is made may make a similar deduction from rent paid by him.

Take the following case.

A is proprietor of minerals, or grantor of mineral wayleave.

B is a lessee of minerals and of mineral wayleave for a term of, say, ten years. Rent paid to A for a year, say £20.

C is a sub-lessee under B, and pays a rent to B for same year, say £30.

Now the effect of the clause is :—

B pays a duty of 1s. in the £ on the £30 paid to him by C, *i.e.* a duty of £1, 10s., and deducts from rent of £20 paid by him to A, 1s. in the £ on the £20 so paid, *i.e.* £1.

Sec. 21 (2) Any contract to defeat this provision for deduction from rent is void, and the person refusing to allow the deduction is liable to a penalty not exceeding £50.  
(3).

## CHAPTER VII

### INCREMENT VALUE DUTY

Increment value duty is payable on the occasions set out in section 1, except in respect of increment value of minerals comprised in a mining lease or minerals being worked, and in the latter cases, where duty is chargeable, it is to be charged annually. But see Exemptions on pages 72 and 73.

#### *Amount of Increment Value Duty.*

£1 for each complete £5 of increment value.

Sec. 1.

Sec. 23 (2).

#### **Definition of Total and Capital Values of Minerals**

##### *Total Value.*

The amount which fee-simple of minerals, if sold in open market by a willing seller in their then condition, might be expected to realise.

##### *Capital Value*

Means total value, after making such of the following deductions as Commissioners may allow.

(a) For works executed, or capital expenditure

incurred, *bonâ fide*, for bringing minerals into working.

- (b) Where minerals partly worked, an amount proportionate to amount of minerals not worked.

See Examples on page 71.

*How Increment Value is to be estimated when payable annually.*

Sec. 22 (3).

Increment value, instead of being estimated as a capital sum, is to be taken as the sum (if any) by which, in each year of lease, or while the minerals are being worked, the rental value on which mineral rights duty is charged exceeds, the annual equivalent of (a) the original capital value of the minerals (*see* definition of capital value, p. 69); or (b) the capital value of the minerals on the last preceding occasion on which increment value duty was collected, otherwise than as an annual duty, if increment value duty has been so collected before minerals have become comprised in a mining lease, or have commenced to be worked.

The annual equivalent of any such capital value of the minerals is to be taken to be two-twenty-fifths parts of that capital value.

Sec. 24 (2).

Lessor is to have credit for money spent, within fifteen years, in boring or otherwise proving the minerals, and rental value is, for the purposes of collection of increment value

duty, to be reduced by the amount which represents the return.

#### EXAMPLE No. 1.

Assume fee-simple of minerals, sold in open market by a willing seller, in their then condition. Price realised (total value) . . . . £5000 0 0

Deduct (if Commissioners allow it)—

For works executed, or capital expenditure incurred, for bringing minerals into working, say . . . .	2000 0 0	
Capital value, .		£3000 0 0

If the minerals sold comprised say one-half of block on which the £1000 spent, then a proper proportion of the £1000 should be deducted.

Assume another block of minerals of capital value of £3000. Annual equivalent of £3000 being 2/25ths = £240. Lease granted for ten years.

Rent received first year, say . . . . £350 0 0

Less annual equivalent of capital value . . . .	£240 0 0
---	----------

Less spent within fifteen years previous to lease, in boring or otherwise proving minerals, say £250, to be repaid during term of lease. Annual equivalent of £250 @ 4% for ten years =

21 0 0

---

 Increment value .      £89 0 0

Increment value duty on £89, i.e. £1 for each complete £5 = £17 for that year.

Increment value duty, payable annually, is to Sec. 22 (5). be recoverable in same manner as mineral rights duty, and with the same right of deduction.

*Exemption from Reversion Duty.*

Sec. 22 (1). Reversion duty is not to be charged on determination of a mining lease.

*Exemptions from Increment Value Duty.*

Sec. 22 (1). Increment value duty is not to be charged on the grant of a mining lease, or in respect of minerals comprised in a mining lease, or which are being worked, except as a duty payable annually. (*See Section 22 (3).*)

Sec. 22 (2). Increment value is not to be charged, nor are the valuation provisions of the Act to apply, in the case of minerals which were, on 30th April 1909, either comprised in a mining lease or being worked by the proprietor, so long as they are comprised in a lease or worked by the proprietor, and the exemption is to continue to apply, although the minerals cease for a temporary period to be comprised in a mining lease or to be worked, so long as the period does not exceed two years.

NOTE.—This seems to mean that all minerals which were, on 30th April 1909, comprised in a mining lease, or being worked by a proprietor, are exempt from increment duty, even though the lease then existing expires, provided there is not a gap greater than two years between the expiration of one lease and the grant of another, or that they

do not cease to be worked for a longer period than two years.

Minerals which are exempt from mineral rights Sec. 22 (8). duty, viz. common clay, common brick clay, Sec. 20 (5). common brick earth, sand, chalk, limestone, or gravel.

*Relief from Mineral Rights Duty where Increment Value Duty paid.*

A proprietor or lessor of minerals who pays Sec. 22 (6). increment value on minerals, is entitled to be relieved, in any year, from payment of mineral rights duty, as such proprietor or lessor, up to the amount he pays in that year, as increment value duty.

For the purposes of this provision, a deduction from rent on account of mineral rights duty is to be deemed a payment of that duty, and relief may be given, either by allowance or repayment, or both, as occasion may require.

*Capital Value to be specially ascertained, when Mining Lease ceases, or Minerals cease to be worked.*

Where minerals cease to be comprised in Sec. 22 (7). a mining lease, or to be worked within the meaning of Section 22, the capital value of the minerals at the time is to be specially ascertained, and the capital value so ascertained is to be treated as the original capital value of the minerals.

*Minerals to be treated as separate Parcels of Land.*

*Minerals to be treated as having no Value in certain Events.*

Sec. 23 (2).

For purposes of valuation under this part of Act, all minerals to be treated as a separate parcel of land, but where minerals are not in a mining lease or (not) being worked, they are to be treated as having no value as minerals, unless the proprietor, in his return to Commissioners, specifies the nature of the minerals, and his estimate of their capital value.

NOTE.—If the proprietor does not specify the nature of the minerals, and his estimate of their capital value, then it seems clear that when he subsequently deals with the minerals the whole of the consideration (less certain deductions) he gets will be treated as increment value, unless, on the 30th April 1909, the minerals were comprised in a mining lease, or were being worked; *i.e.* If, in the case illustrated on p. 71, the minerals had not been specified, and no estimate of their value had been given in the return to the Commissioners, they would, on the occasion of payment of duty, have been treated as previously having had no value, and increment value duty would have been payable on the whole of the £350, less any deductions the proprietor might be able to make a good case for.

Minerals which are in a mining lease or are being worked, are to be treated as a separate parcel of land, not only for valuation purposes, but also for assessment purposes under this part of Act.

*Reference to Site Value of Land to be construed,  
as far as respects Minerals, as Reference to  
Capital Value of Minerals.*

Except where context otherwise requires, any Sec. 23 (4). reference in this part of the Act to site value of land is, in cases where land consists solely of minerals or comprises minerals, to be construed, so far as respects the minerals, as a reference to the capital value of the minerals.

## RIGHT OF APPEAL

There appears to be a right of appeal against the decisions of the Commissioners except in the following case, viz.:—

As to what is to be considered exempt from undeveloped land duty under the provisions of Sec. 17.

Sections 33 and 34 deal with the procedure on appeal.

## COLLECTION AND RECOVERY OF THE VARIOUS DUTIES

The following Sections of the Act provide for the collection and recovery of the duties :—

*Increment Value Duty* : Sections 3, 4, 5, 6.

*Reversion Duty* : Section 15.

*Undeveloped Land Duty* : Section 19.

*Mineral Rights Duty* : Section 20.



# APPENDIX

## FINANCE ACT, PART I., SECTIONS 1 TO 42

Date of Act, 29th April 1910

### DUTIES ON LAND VALUES

#### *Increment Value Duty.*

##### Section

1. Duty on increment value.
2. Definition of increment value.
3. General provisions as to collection of increment value duty.
4. Collection and recovery of duty in cases of transfers and leases.
5. Collection and recovery of duty in case of death.
6. Collection and recovery of duty in case of property held by bodies corporate or unincorporate.
7. Exemption for agricultural land.
8. Exemption of small houses and properties in owner's occupation.
9. Special provision for increment value duty in the case of land used for games and recreation.
10. Provision as to Crown lands, etc.
11. Special provision as to flats.
12. Provision as to claims for deductions.

#### *Reversion Duty.*

13. Reversion duty
14. Exemptions from reversion duty, and allowances.
15. Recovery of reversion duty.

#### *Undeveloped Land Duty.*

16. Duty on site value of undeveloped land.
17. Exemptions from undeveloped land duty, and allowances.

## Section

18. Exemption of small holdings from undeveloped land duty.
19. Recovery of undeveloped land duty.

*Mineral Rights Duty and Provisions as to Minerals.*

20. Mineral rights duty.
21. Deduction of duty in case of intermediate leases of minerals.
22. Special provisions as to increment value duty and reversion duty in the case of minerals worked or leased.
23. Application of provisions as to total and site value to minerals.
24. Definitions for purpose of mineral provisions.

*Valuation for Purposes of Duties on Land Values.*

25. Definition of values of land.
26. Valuation of land for purposes of Act.
27. Ascertainment of the original site value of land.
28. Periodical valuation of undeveloped land.
29. Assessment of duty on separate parcels of land and apportionment of valuation.
30. Duties of Commissioners as to keeping records and giving information.
31. Information as to names of owners of land.
32. Determination of value of consideration.

*Appeals.*

33. Appeals to referees.
34. Appointment of referees to hear appeals.

*Supplemental.*

35. Exemption for land held by rating authorities.
36. Deduction from increment value of sum paid to rating authority in respect of increase in value.

## Section

37. Special provision for land held for charitable purposes, etc.
  38. Special provision for statutory companies.
  39. Power to charge duty on land in certain cases.
  40. Application of Part I. to copyholds.
  41. Definitions.
  42. Application of Part I. to Scotland.
- 

## DUTIES ON LAND VALUES.

*Increment Value Duty.*

1. Subject to the provisions of this Part of this Act, there shall be charged, levied, and paid on the increment value of any land a duty, called increment value duty, at the rate of one pound for every complete five pounds of that value accruing after the thirtieth day of April nineteen hundred and nine, and—

- (a) on the occasion of any transfer on sale of the fee-simple of the land or of any interest in the land, in pursuance of any contract made after the commencement of this Act, or the grant, in pursuance of any contract made after the commencement of this Act, of any lease (not being a lease for a term of years not exceeding fourteen years) of the land ; and
- (b) on the occasion of the death of any person dying after the commencement of this Act, where the fee-simple of the land or any interest in the land is comprised in the property passing on the death of the deceased within the meaning of sections one and two, subsection (1) (a), (b), and (c), and subsection three, of the Finance Act, 1894, as amended by any subsequent enactment ; and
- (c) where the fee-simple of the land or any interest in

48 & 49 Vict.  
c. 51.

the land is held by any body corporate or by any body unincorporate as defined by section twelve of the Customs and Inland Revenue Act, 1885, in such a manner or on such permanent trusts that the land or interest is not liable to death duties, on such periodical occasions as are provided in this Act,

the duty, or proportionate part of the duty, so far as it has not been paid on any previous occasion, shall be collected in accordance with the provisions of this Act.

Definition of  
increment  
value.

**2.—(1)** For the purposes of this part of this Act the increment value of any land shall be deemed to be the amount (if any) by which the site value of the land, on the occasion on which increment value duty is to be collected as ascertained in accordance with this section, exceeds the original site value of the land as ascertained in accordance with the general provisions of this Part of this Act as to valuation.

(2) The site value of the land on the occasion on which increment value duty is to be collected shall be taken to be—

- (a) where the occasion is a transfer on sale of the fee-simple of the land, the value of the consideration for the transfer ; and
- (b) where the occasion is the grant of any lease of the land, or the transfer on sale of any interest in the land, the value of the fee-simple of the land, calculated on the basis of the value of the consideration for the grant of the lease or the transfer of the interest ; and
- (c) where the occasion is the death of any person, and the fee-simple of the land is property passing on that death, the principal value of the land as ascertained for the purposes of Part I. of the Finance Act, 1894, and where any interest in the land is property passing on that death the value of the fee-simple of the land calculated

57 & 58 Vict.  
c. 30.

on the basis of the principal value of the interest as so ascertained ; and

(d) where the occasion is a periodical occasion on which the duty is to be collected in respect of the fee-simple of any land or of any interest in any land held by a body corporate or unincorporate, the total value of the land on that occasion to be estimated in accordance with the general provisions of this Part of this Act as to valuation;

subject in each case to the like deductions as are made, under the general provisions of this Part of this Act as to valuation, for the purpose of arriving at the site value of land from the total value.

(3) Where it is proved to the Commissioners on an application made for the purpose within the time fixed by this section that the site value of any land at the time of any transfer on sale of the fee-simple of the land or of any interest in the land, which took place at any time within twenty years before the thirtieth day of April, nineteen hundred and nine, exceeded the original site value of the land as ascertained under this Act, the site value at that time shall be substituted, for the purposes of increment value duty, for the original site value as so ascertained, and the provisions of this Part of this Act shall apply accordingly.

Site value shall be estimated for the purposes of this provision by reference to the consideration given on the transfer in the same manner as it is estimated by reference to the consideration given on a transfer where increment value duty is to be collected on the occasion of such a transfer after the passing of this Act.

This provision shall apply to a mortgage of the fee-simple of the land or any interest in land in the same manner as it applies to a transfer, with the substitution of the amount secured by the mortgage for the consideration.

An application for the purpose of this section must be made within three months after the original site

value of the land has been finally settled under this Part of this Act.

General provisions as to collection of increment value duty.

3.—(1) On each occasion on which increment value duty is collected on the increment value of any land, such an amount of duty shall be deemed to be unsatisfied as the Commissioners determine, after giving credit for the amount of duty paid on previous occasions. The Commissioners shall make such apportionments and re-apportionments of any duty paid on previous occasions as they think necessary for the purpose of giving effect to this provision.

(2) Where increment value duty is collected on the occasion of the transfer or passing on death of the fee-simple of any land, or on any periodical occasion in the case of land held in fee-simple by a body corporate or unincorporate, the whole amount of the duty which is determined to be unsatisfied shall be collected by the Commissioners in accordance with rules made by them for the purpose.

(3) Where increment value duty is collected on the occasion of the grant of a lease, or on the transfer or passing on death of any interest in land, or on any periodical occasion in the case of an interest in land held by a body corporate or unincorporate, such proportionate part of the duty shall be collected as may be determined by the Commissioners to be payable in respect of the interest in land created, transferred, passing on death, or held, in accordance with rules made by them for the purpose.

(4) Where on the occasion of the death of any person the property passing on the death comprises settled land in which the deceased or any other person had an interest ceasing on the death of the deceased, then—

(a) if the subject of the settlement at the time of the death is the fee-simple of the land, increment value duty shall be collected as if the fee-simple of the land passed ; and

- (b) if the subject of the settlement at the time of the death is any other interest in the land, increment value duty shall be collected as if that interest passed;

but that duty shall not be collected on any such occasion if under the provisions of section five of the Finance Act, 1894, as amended by any subsequent enactment, estate duty is not payable in respect of the settled land.

(5) For the purpose of the collection of duty on the increment value of any land under this section, the increment value shall be deemed to be reduced on the first occasion for the collection of increment value duty by an amount equal to 10% of the original site value of the land, and on any subsequent occasion by an amount equal to 10% of the site value on the last preceding occasion for the collection of increment value duty, and the amount of duty to be collected shall be remitted in whole or in part accordingly.

Any duty which by reason of this provision is remitted on any occasion shall not be collected and shall be deemed to have been paid:

Provided that no remission shall be given under this provision on any occasion which will make the amount of the increment value on which duty has been remitted during the preceding period of five years exceed 25% of the site value of the land on the last occasion for the collection of increment value duty prior to the commencement of that period or of the original site value if there has then been no such occasion.

(6) Increment value duty shall be a stamp duty collected and recovered in accordance with the provisions of this Act.

4.—(1) On any transfer on sale of the fee-simple of any land or of any interest in land, or on the grant of any lease of any land for a term exceeding fourteen years, increment value duty shall be assessed by the Collection  
and recovery  
of duty in  
cases of  
transfers and  
leases.

Commissioners and paid by the transferor or lessor, as the case may be.

(2) It shall be the duty of the transferor or lessor, on the occasion of any transfer on sale of the fee-simple of any land or of any interest in land or on the grant of any lease of any land for a term exceeding fourteen years, to present to the Commissioners, in accordance with regulations made by them, the instrument by means of which the transfer or the lease is effected or agreed to be effected or reasonable particulars thereof for the purpose of the assessment of duty thereon, and, if the transferor or lessor fails to comply with this provision, he shall be liable on summary conviction to a fine not exceeding ten pounds, and to pay interest at the rate of 5% per annum on any duty ultimately payable by him as from the date on which the instrument has been executed, but any person aggrieved by any conviction or order of a court of summary jurisdiction under this provision may appeal therefrom to a court of quarter sessions.

54 & 55 Vict. section fourteen of the Stamp Act, 1891, and notwithstanding anything in section twelve of that Act, be deemed to be duly stamped unless it is stamped—  
c. 39.

- (a) either with a stamp denoting that the increment value duty has been assessed by the Commissioners and paid in accordance with the assessment ; or
- (b) with a stamp denoting that all particulars have been delivered to the Commissioners, which, in their opinion, are necessary for the purpose of enabling them to assess the duty, and that security has been given for the payment of duty in any case where the Commissioners have required security ; or
- (c) with a stamp denoting that upon the occasion in question no increment value duty was payable ;

but where an instrument is so stamped, it shall, notwithstanding any objection relating to the increment value duty, be deemed to be duly stamped so far as respects that duty.

(4) Any duty assessed by the Commissioners under this section shall be a debt due to the Crown from the transferor or lessor, as the case may be, and for the purpose of calculating the amount of increment value duty to be collected on any subsequent occasion shall be deemed to have been paid.

(5) Regulations may be made by the Commissioners with respect to the mode in which any instrument is to be presented to them in order to be dealt with under this section, and for dispensing with the presentation of any instrument, or particulars thereof, in cases where arrangements are made for obtaining those particulars through any registry of lands, deeds, or title, or through a Register of Sasines, and with respect to the mode in which any application for a return of duty under this section is to be made, and for the payment of any increment value duty by instalments in the case of any lease or transfer on sale where the consideration is in the form of a periodical payment ; and the Commissioners shall deal with any instrument presented to them and allow payment by instalments in accordance with those regulations. The regulations shall provide that where the duty to be collected on the grant of a lease is payable by instalments, and the lease is determined before all such instalments have fallen due, the instalments which have not fallen due shall be remitted, and that in that case the amount of duty which, under this section, is deemed to have been paid shall be reduced by the amount of the instalments so remitted.

(6) In any case where increment value duty shall have been paid under the provisions of this section, but the transaction in respect of which the duty shall have been paid was subsequently not carried into execution, the duty shall be returned to the transferor or lessor on

his making application to the Commissioners within two years after the payment of the duty in accordance with regulations to be made by them under this section, and in that case the duty returned shall not be deemed to have been paid for the purposes of this section.

(7) Where any agreement for a transfer or agreement for a lease is stamped in accordance with this section, it shall not be necessary to stamp any conveyance, assignment, or lease made subsequently to and in conformity with the agreement, but the Commissioners shall, if an application is made to them for the purpose, denote on the conveyance, assignment, or lease the amount of duty paid.

Collection  
and recovery  
of duty in  
case of death.  
57 & 58 Vict.  
c. 30.

5. The provisions as to the assessment, collection, and recovery of estate duty under the Finance Act, 1894, shall apply as if increment value duty to be collected on the occasion of the death of any person were estate duty ; but, where any interest in land in respect of which increment value duty is payable is property passing to the personal representative as such, the duty shall be payable out of that interest in land in exoneration of the rest of the deceased's estate, and shall be collected upon an account to be delivered by the personal representative, setting forth the particulars of the increment value in respect of the property :

Provided that in respect of all property of the deceased, other than that assessed to increment value duty, the Crown shall, as a creditor in respect of such increment value duty, rank *pari passu* with the other creditors of the deceased.

Collection  
and recovery  
of duty in  
case of pro-  
perty held  
by bodies  
corporate or  
unincorpo-  
rate.  
48 & 49 Vict.  
c. 51.

6.—(1) Where the fee-simple of any land or any interest in land is held by any body corporate or by any body unincorporate, as defined by section twelve of the Customs and Inland Revenue Act, 1885, in such a manner or on such permanent trusts that the land or interest is not liable to death duties, the occasions on

which increment value duty is to be collected shall be the fifth day of April in the year nineteen hundred and fourteen and in every subsequent fifteenth year.

(2) The account to be delivered under section fifteen of the Customs and Inland Revenue Act, 1885, shall, in the case of the account to be delivered in the year nineteen hundred and fourteen and in every subsequent fifteenth year, contain an account of the increment value of the land, as on the preceding fifth day of April, and that section shall, save as in this Act is hereafter provided, apply for the purpose of increment value duty, whether the body corporate or unincorporate are chargeable with duty under Part II. of the Customs and Inland Revenue Act, 1885, or not.

(3) The provisions of sections thirteen to eighteen, of subsection (1) of section nineteen, and of section twenty of the Customs and Inland Revenue Act, 1885 (with the exception of any provisions relating to appeals), shall have effect for the purpose of the assessment and recovery of increment value duty as they have effect for the purpose of the duty charged under section eleven of that Act :

Provided that increment value duty may, if the body corporate or unincorporate chargable therewith so desire, be paid by fifteen equal yearly instalments, and the first instalment shall be due immediately after the assessment of the duty.

Any part of any duty so payable by instalments may be paid up at any time.

(4) Any increment value duty assessed by the Commissioners on an account delivered in accordance with this section shall, for the purpose of determining the amount of increment value duty to be collected on any subsequent occasion, be deemed to have been paid.

(5) Nothing in this section shall affect the collection of increment value duty on the occasion of the grant of any lease or the transfer on sale of the fee-simple

of any land or any interest in land by a body corporate or unincorporate, or oblige an account to be delivered of the increment value of any land on any periodical occasion, if, under the subsequent provisions of this Part of this Act, increment value duty in respect thereof is not to be collected on that occasion.

Exemption  
for agricul-  
tural land.

**7.** Increment value duty shall not be charged in respect of agricultural land while that land has no higher value than its market value at the time for agricultural purposes only :

Provided that any value of the land for sporting purposes or for other purposes dependent upon its use as agricultural land, shall be treated as value for agricultural purposes only, except where the value for any such purpose exceeds the agricultural value of the land.

Exemption  
of small  
houses and  
properties  
in owner's  
occupation.

**8.—(1)** Increment value duty shall not be charged on the increment value of any land, being the site of a dwelling-house, where immediately before the occasion on which the duty is to be collected the house was, and had been for twelve months previously, used by the owner thereof as his residence, and the annual value of the house, as adopted for the purpose of Income Tax under Schedule A, does not exceed—

- (a) in the case of a house situated in the administrative county of London, forty pounds ; and
- (b) in the case of a house situated in a borough or urban district with a population according to the last-published Census for the time being of fifty thousand or upwards, twenty-six pounds ; and
- (c) in the case of a house situated elsewhere, sixteen pounds.

(2) Increment value duty shall not be charged on the increment value of any agricultural land where, immediately before the occasion on which the duty is to be collected, the land was, and had been for twelve

months previously, occupied and cultivated by the owner thereof, and the total amount of that land, together with any other land belonging to the same owner, does not exceed fifty acres, and the average total value of the land does not exceed seventy-five pounds per acre :

Provided that the exemption under this provision shall not apply to any land occupied together with a dwelling-house the annual value of which, as adopted for Income Tax under Schedule A, exceeds thirty pounds.

(3) Where a dwelling-house is valued for the purposes of Income Tax under Schedule A, together with other land, and it is necessary for the purpose of this section to determine the annual value of the dwelling-house, the total annual value shall be divided between the dwelling-house and the other land in such manner as the Commissioners may determine.

(4) For the purposes of this section—

(a) the expression ‘owner’ includes a person who holds land under a lease which was originally granted for a term of fifty years or more ; but in such a case nothing in this section shall prevent the collection of increment value duty so far as it is payable in respect of any other interest in the land other than that leasehold interest ; and

(b) the site of a dwelling-house shall include any offices, courts, and yards, and gardens not exceeding one acre in extent, occupied together with the dwelling-house.

(5) Any increment value duty which would, but for this section, be charged shall, for the purpose of the provisions of this Act as to the collection of the duty, be deemed to have been paid.

9. Increment value duty shall not be collected on any <sup>Special pro-</sup> periodical occasion in respect of the fee-simple of, or any <sup>vision for</sup> <sup>increment</sup> interest in, any land which is held by any body corporate <sup>value duty</sup>

in the case  
of land used  
for games  
and recrea-  
tion.

or unincorporate, without any view to the payment of any dividend or profit out of the revenue thereof, *bonâ fide* for the purpose of games or other recreation, if the Commissioners are satisfied that the land is so used under some agreement with the owner which as originally made could not be determined for a period of at least five years, or under other circumstances which render it probable that the land will continue to be so used, without prejudice, however, to the collection of the duty on any other occasion.

Provision as  
to Crown  
lands, etc.

**10.—(1)** Any increment value duty in respect of the fee-simple of, or any interest in, any land held by, or in trust for, His Majesty or any department of Government, which would have been collected on any occasion had it been held by a private person, shall for the purposes of the provisions of this Act as to the collection of increment value duty be deemed to have been paid.

10 Geo. 4.  
c. 50.  
8 Edw. 7.  
c. 48.

**(2)** Neither section seventy-seven of the Crown Lands Act, 1829, nor section thirty-eight of the Post Office Act, 1908, nor any other enactment exempting from stamp duty any document made or executed on behalf of, or for the purpose of, the Crown or any Government department, shall apply so as to prevent increment value duty being collected on any instrument by which the transfer on sale of the fee-simple of, or any interest in, any land, or the grant of any lease of any land, to the Crown or to any Government department, or to any officer on behalf of, or for the purposes of, the Crown or any Government department, is effected or agreed to be effected.

Special pro-  
vision as to  
flats.

**11.** Where a building is used for the purpose of separate tenements, flats, or dwellings, the grant of a lease of any such separate tenement, flat, or dwelling, and the transfer on sale or passing on death of any lease of any such separate tenement, flat, or dwelling, shall not be an occasion on which increment value duty is to be collected under this Act, nor shall duty be

collected on any periodical occasion from a body corporate or unincorporate where the interest held by the body is only a leasehold interest in any such separate tenement, flat, or dwelling.

12. A person shall not be entitled to claim any deduction for the purpose of ascertaining the site value of any land on any occasion on which increment value duty becomes payable if the deduction is one which could have been, but was not, claimed for the purpose of ascertaining the original site value of the land.

Provision as  
to claims for  
deductions.

*Reversion Duty.*

13.—(1) On the determination of any lease of land there shall be charged, levied, and paid, subject to the provisions of this Part of this Act, on the value of the benefit accruing to the lessor by reason of the determination of the lease a duty, called reversion duty, at the rate of one pound for every complete ten pounds of that value.

(2) For the purposes of this section the value of the benefit accruing to the lessor shall be deemed to be the amount (if any) by which the total value (as defined for the purpose of the general provisions of this Part of this Act relating to valuation) of the land at the time the lease determines, subject to the deduction of any part of the total value which is attributable to any works executed or expenditure of a capital nature incurred by the lessor during the term of the lease and of all compensation payable by such lessor at the determination of the lease, exceeds the total value of the land at the time of the original grant of the lease, to be ascertained on the basis of the rent reserved and payments made in consideration of the lease (including, in cases where a nominal rent only has been reserved, the value of any covenant or undertaking to erect buildings or to expend any sums upon the property), but, where the lessor is himself entitled only to a leasehold

interest, the value of the benefit as so ascertained shall be reduced in proportion to the amount by which the value of his interest is less than the value of the fee-simple.

**Exemptions from reversion duty, and allowances.**

**14.—(1)** Where, in the case of a reversion to a lease purchased before the thirtieth day of April nineteen hundred and nine, the lease on which the reversion is expectant determines within forty years of the date of the purchase, no reversion duty shall be charged under this Part of this Act on the determination of the lease : Provided that this exemption shall not apply where the lease is determined within forty years by agreement between the lessor and the lessee, whether express or implied, not contained in the lease itself, unless the lease would, apart from any such agreement, have determined within that period.

(2) No reversion duty shall be charged on the determination of the lease of any land which is at the time of the determination agricultural land, nor on the determination of a lease, the original term of which did not exceed twenty-one years, nor shall reversion duty be charged where the interest of the lessor expectant on the determination of a lease is a leasehold interest which does not exceed that number of years.

(3) Where a lease of any land is determined before the expiration of the term of the lease by agreement between the lessor and the lessee, whether express or implied, and a fresh lease of the land is then granted to the lessee the term of which extends at least twenty-one years beyond the date on which the original lease would have expired, the Commissioners shall make an allowance in respect of the reversion duty payable of  $2\frac{1}{2}\%$  of the duty for every year of the original term of the lease which is unexpired when the lease is determined, and any sum so allowed shall be treated as having been paid :

Provided that the allowance shall not exceed 50% of the whole duty payable.

(4) Where on any occasion on which increment value duty is due in respect of any increment value it is proved to the satisfaction of the Commissioners that reversion duty has been paid in respect of any benefit accruing to a lessor, or part of such a benefit, which is identical with the increment value, such sums as the Commissioners determine to have been paid in respect of the benefit or part of the benefit shall be treated as being also a payment on account of increment value duty ; and where on any occasion on which reversion duty is due in respect of any benefit accruing to a lessor, it is shown to the satisfaction of the Commissioners that increment value duty has been paid on any increment value which is identical with that benefit or any part of that benefit, such sums as the Commissioners determine to have been paid in respect of that value shall be treated as being also a payment on account of the reversion duty in respect of that benefit or part of a benefit.

(5) Where a reversion has been mortgaged before the thirtieth day of April nineteen hundred and nine, and the mortgagee has foreclosed before the lease on which the reversion is expectant determines, the mortgagee shall not be liable to pay reversion duty in excess of the amount by which the total value of the land at the time of the determination of the lease exceeds the amount payable under the mortgage at the date of the foreclosure.

15.—(1) Reversion duty shall be recoverable from any lessor to whom any benefit accrues from the determination of a lease as a debt due to His Majesty, but shall rank *pari passu* with all other debts due from such lessor.

(2) Every lessor shall, on the determination of a lease on the determination of which reversion duty is payable under this section, deliver an account to the Commissioners setting forth the particulars of the land and

Recovery of  
reversion  
duty.

the estimated value of the benefit accruing to the lessor by the determination of the lease.

(3) If any person who is under an obligation to deliver an account under this section knowingly fails to deliver such an account within the period of three months after the determination of the lease, he shall be liable to pay to His Majesty a sum not exceeding 10% upon the amount of any duty payable under this section, and a like penalty for every three months after the first month during which the failure continues.

48 & 49 Vict. c. 51. (4) Section seventeen of the Customs and Inland Revenue Act, 1885 (which relates to the power to assess duty according to accounts rendered, and to obtain other accounts), shall apply with respect to any account delivered under this section (with the exception of any provisions relating to appeals).

#### *Undeveloped Land Duty.*

Duty on  
site value of  
undeveloped  
land.

16.—(1) Subject to the provisions of this Part of this Act, there shall be charged, levied, and paid for the financial year ending the thirty-first day of March nineteen hundred and ten, and every subsequent financial year in respect of the site value of undeveloped land a duty, called undeveloped land duty, at the rate of one halfpenny for every twenty shillings of that site value.

(2) For the purposes of this Part of this Act, land shall be deemed to be undeveloped land if it has not been developed by the erection of dwelling-houses or of buildings for the purposes of any business, trade, or industry other than agriculture (but including glass-houses or greenhouses), or is not otherwise used *bona fide* for any business, trade, or industry other than agriculture :

Provided that—

(a) Where any land having been so developed or used reverts to the condition of undeveloped land owing to the buildings becoming derelict, or

owing to the land ceasing to be used for any business, trade, or industry other than agriculture, it shall, on the expiration of one year after the buildings have so become derelict or the land ceases to be so used, as the case may be, be treated as undeveloped land for the purposes of undeveloped land duty until it is again so developed or used ; and

- (b) Where the owner of any land included in any scheme of land development shows that he or his predecessors in title have, with a view to the land being developed or used as aforesaid, incurred expenditure on roads (including paving, curbing, metalling, and other works in connexion with roads) or sewers, that land shall, to the extent of one acre for every complete hundred pounds of that expenditure, for the purposes of this section, be treated as land so developed or used although it is not for the time being actually so developed or used, but, for the purposes of this provision, no expenditure shall be taken into account if ten years have elapsed since the date of the expenditure or if after the date of the expenditure the land having been developed reverts to the condition of undeveloped land, and in a case where the amount of the expenditure does not cover the whole of the land included in the scheme of land development, the part of the land to be treated as land developed or used as aforesaid shall be determined by the Commissioners as being the land with a view to the development or use of which as aforesaid the expenditure has been in the main incurred.

- (3) For the purposes of undeveloped land duty, the site value of undeveloped land shall be taken to be the value adopted as the original site value, or where the site value has been ascertained under any subsequent

periodical valuation of undeveloped land for the time being in force, the site value as so ascertained :

Provided that where increment value duty has been paid in respect of the increment value of any undeveloped land, the site value of that land shall, for the purposes of the assessment and collection of undeveloped land duty, be reduced by a sum equal to five times the amount paid as increment value duty.

(4) For the purposes of undeveloped land duty undeveloped land does not include the minerals.

**Exemptions  
from unde-  
veloped land  
duty, and  
allowances.**

**17.—(1)** Undeveloped land duty shall not be charged in respect of any land where the site value of the land does not exceed fifty pounds per acre.

(2) In the case of agricultural land of which the site value exceeds fifty pounds per acre, undeveloped land duty shall only be charged on the amount by which the site value of the land exceeds the value of the land for agricultural purposes.

(3) Undeveloped land duty shall not be charged—

(a) On the site value of any parks, gardens, or open spaces which are open to the public as of right ; or

(b) On the site value of any woodlands, parks, gardens, or open spaces reasonable access to which is enjoyed by the public or by the inhabitants of the locality (including access regularly enjoyed by any of the naval or military forces of the Crown for the purpose of training or exercise) where, in the opinion of the Commissioners, that access is of public benefit ; or

(c) On the site value of any land where it is shown to the Commissioners that the land is being kept free of buildings in pursuance of any definite scheme, whether framed before or after the passing of this Act, for the development of the area of which the land forms part, and

where, in the opinion of the Commissioners, it is reasonably necessary in the interests of the public, or in view of the character of the surroundings or neighbourhood, that the land should be so kept free from buildings ; or

- (d) On the site value of any land which is *bonâ fide* used for the purpose of games or other recreation where the Commissioners are satisfied that the land is so used under some agreement with the owner which, as originally made, could not be determined for a period of at least five years, or where, in the opinion of the Commissioners, other circumstances render it probable that the land will continue to be so used.

Where any land kept free from buildings in pursuance of any definite scheme has received the benefit of an exemption from undeveloped land duty by virtue of this section, that land shall not be built upon unless the Local Government Board give their consent, on being satisfied that it is desirable in the interests of the public that the restriction on building should be removed ; and any such consent may be given subject to such conditions as to the mode in which the land is to be built upon as the Local Government Board think desirable under the circumstances.

The opinion of the Commissioners as to matters which are expressed to be matters for the opinion of the Commissioners under this subsection shall be final and not subject to any appeal.

(4) Undeveloped land duty shall not be charged on the site value of any land not exceeding an acre in extent occupied together with a dwelling-house or on the site value of any land being gardens or pleasure-grounds so occupied when the site value of the gardens and pleasure-grounds together with the site value of the dwelling-house does not exceed twenty times the annual value of the gardens, pleasure-grounds, and dwelling-

house as adopted for the purpose of Income Tax under Schedule A :

Provided that the exemption under this provision, shall not apply so as to exempt more than five acres, and where the land, gardens, or pleasure-grounds occupied together with a dwelling-house exceed five acres in extent, those five acres shall be exempted which are determined by the Commissioners to be most adapted for use as gardens or pleasure-grounds in connexion with the dwelling-house.

Where the dwelling-house, gardens, and pleasure-grounds are valued for the purpose of Income Tax under Schedule A, together with other land, the total annual value shall be divided between the dwelling-house, gardens, and pleasure-grounds and the other land in such manner as the Commissioners may determine.

(5) Where agricultural land is at the time of the passing of this Act held under a tenancy originally created by a lease or agreement made or entered into before the thirtieth day of April nineteen hundred and nine, undeveloped land duty shall not be charged on the site value of the land during the original term of that lease or agreement while the tenancy continues thereunder. Provided that where the landlord has power to determine the tenancy of the whole or any part of the land, the tenancy of the land or that part of the land shall not be deemed for the purposes of this provision to continue after the earliest date after the commencement of this Act at which it is possible to determine the tenancy under that power.

Exemption  
of small  
holdings  
from unde-  
veloped land  
duty.

**18.** Undeveloped land duty shall not be charged on the site value of any agricultural land, occupied and cultivated by the owner thereof, where the total value of that land, together with any other land belonging to the same owner, does not exceed five hundred pounds.

For the purposes of this provision the expression 'owner' includes a person who holds land under a

lease which was originally granted for a term of fifty years or more.

**19.** Undeveloped land duty shall be assessed by the Commissioners and shall be payable at any time after the first day of January of the year for which the duty is charged, and any such duty for the time being unpaid shall be recoverable from the owner of the land for the time being as a debt due to His Majesty, and shall be borne by that owner notwithstanding any contract to the contrary.

Recovery of undeveloped land duty.

If at any time undeveloped land duty is not assessed within the year for which it is charged, owing to there being no value either shown in the provisional valuation or finally settled on which the duty can be assessed, or for any other reason, the duty may be assessed at any time, and shall be payable at any time after the expiration of two months from the date of the assessment, so, however, that no such duty shall] be assessed more than three years after the expiration of the year for which it is charged.

#### *Mineral Rights Duty and Provisions as to Minerals*

**20.—(1)** There shall be charged, levied, and paid for Mineral rights duty. the financial year ending the thirty-first day of March nineteen hundred and ten and every subsequent financial year on the rental value of all rights to work minerals and of all mineral wayleaves, a duty (in this Act referred to as a mineral rights duty) at the rate in each case of one shilling for every twenty shillings of that rental value.

(2) The rental value shall be taken to be—

- (a) Where the right to work the minerals is the subject of a mining lease, the amount of rent paid by the working lessee in the last working year in respect of that right ; and
- (b) Where minerals are being worked by the proprietor thereof, the amount which is deter-

mined by the Commissioners to be the sum which would have been received as rent by the proprietor in the last working year if the right to work the minerals had been leased to a working lessee for a term and at a rent and on conditions customary in the district, and the minerals had been worked to the same extent and in the same manner as they have been worked by the proprietor in that year :

Provided that the Commissioners shall cause a copy of their valuation of such rent to be served on the proprietor ; and

(c) In the case of a mineral wayleave, the amount of rent paid by the working lessee in the last working year in respect of the wayleave :

Provided that if in any special case it is shown to the Commissioners that the rent paid by a working lessee exceeds the rent customary in the district, and partly represents a return for expenditure on the part of any proprietor of the minerals which would ordinarily have been borne by the lessee, the Commissioners shall substitute as the rental value of the right to work the minerals or the mineral wayleaves, as the case may be, such rent as the Commissioners determine would have been the rent customary in the district if the expenditure had been borne by the lessee.

(3) Every proprietor of any minerals and every person to whom any rent is paid in respect of any right to work minerals or of any mineral wayleave shall, upon notice being given to him by the Commissioners requiring him to give particulars as to the amount received by him in respect of the right or wayleave, as the case may be, and where the proprietor is working the minerals, particulars as to the minerals worked, make a return in the form required by the notice, and within the time, not being less than thirty days, specified in the notice, and in default shall be liable to a penalty

not exceeding fifty pounds to be recovered in the High Court.

(4) Mineral rights duty shall be assessed by the Commissioners and shall be payable at any time after the first day of January in the year for which the duty is charged, and any such duty for the time being unpaid shall be recoverable as a debt due to His Majesty from the proprietor of the minerals, where the proprietor is working the minerals, and in any other case from the immediate lessor of the working lessee. As between the immediate lessor and the working lessee, the duty shall be borne by the immediate lessor, notwithstanding any contract to the contrary, whether made before or after the passing of this Act.

(5) Mineral rights duty shall not be charged in respect of common clay, common brick clay, common brick earth, or sand, chalk, limestone, or gravel.

21.—(1) Any immediate lessor who under this Act pays any mineral rights duty, and is himself a lessee of the right to work the minerals or of the wayleave in respect of which the duty is paid, shall be entitled to deduct from the rent paid by him in respect of the right to work the minerals or the wayleave, as the case may be, to his lessor a sum equal to the mineral rights duty on a rental value of the same amount as the rent payable; and any person from whose rent any such deduction is made may make a similar deduction from any rent paid by him in respect of the right to work the minerals or in respect of the wayleave, as the case may be.

(2) Any person in receipt of rent from which a deduction may be made under this section shall allow the deduction, and the person making the deduction shall be discharged from the payment of an amount of rent equal to the amount deducted, and any contract for the payment of rent without allowing such a deduction shall be void.

(3) If any person refuses to allow a deduction which he is required to allow under this section, he shall be liable to a penalty not exceeding fifty pounds to be recovered in the High Court.

(4) Where in any special case mineral rights duty has been charged on a rental value based on a rent which has been substituted under the provisions of this Act for the rent actually payable by the working lessee, or where in any special case the rental value with reference to which increment value duty is charged has been reduced under the provisions of this Act for the purposes of the collection of that duty, the Commissioners shall, on the application of any lessor from whose rent a deduction may be made in respect of mineral rights duty or increment value duty, as the case may be, make a corresponding substitution or reduction as regards that rent, if they consider that the grounds for the substitution or reduction, as the case may be, are applicable in the case of the rent with respect to which the application is made.

Special provisions as to increment value duty and reversion duty in the case of minerals worked or leased.

22.—(1) No reversion duty shall be charged on the determination of a mining lease, and no increment value duty shall be charged on the occasion of the grant of a mining lease or in respect of minerals which are comprised in a mining lease, or are being worked, except as a duty payable annually in manner provided by this Act.

(2) Increment value duty shall not be charged in the case of any minerals which were, on the thirtieth day of April nineteen hundred and nine, either comprised in a mining lease or being worked by the proprietor, so long as the minerals are for the time being either comprised in a mining lease, or being worked by the proprietor :

Provided that the exemption under this section shall continue to apply in the case of any minerals, although they cease for a temporary period to be comprised in

a mining lease or to be worked, so long as the period does not exceed two years.

(3) Increment value duty in respect of the increment value of minerals which are comprised in a mining lease or are being worked shall, where that duty is chargeable, be charged annually ; and the increment value shall, instead of being estimated as a capital sum, be taken to be the sum (if any) by which, in each year during which the lease continues or the minerals are being worked, as the case may be, the rental value on which mineral rights duty is charged in respect of the right to work the minerals exceeds the annual equivalent of the original capital value of the minerals, or the capital value of the minerals on the last preceding occasion on which increment value duty has been collected otherwise than as an annual duty, if increment value duty has been so collected before the minerals have become comprised in a mining lease or have commenced to be worked ; and the annual equivalent of any such capital value of the minerals shall be taken to be two twenty-fifth parts of that capital value.

(4) If in any case it is shown to the Commissioners that the rental value on which mineral rights duty is charged represents in part a return for money expended within fifteen years by a lessor in boring or otherwise proving the minerals, the rental value shall be reduced for the purposes of the collection of increment value duty by the amount which represents that return.

(5) Increment value duty payable annually under this section shall, instead of being collected as provided by this Act in other cases, be recoverable in the same manner as mineral rights duty, with the same right of deduction.

(6) Any proprietor or lessor of any minerals who pays increment value duty in pursuance of this provision shall be entitled to be relieved in any year from the payment of mineral rights duty, as such proprietor

or lessor, up to the amount paid by him in that year in respect of increment value duty.

For the purposes of this provision, a deduction of any amount from the rent payable to a lessor on account of mineral rights duty shall be deemed to be a payment of that duty, and the relief may be given either by allowance or repayment or both of those means, as the occasion may require.

(7) Where minerals cease to be comprised in a mining lease or to be worked within the meaning of this section, the capital value of the minerals at the time shall be specially ascertained in accordance with the provisions of this Act, and the capital value as so ascertained shall be treated as the original capital value of the minerals.

(8) Nothing in this section shall apply to minerals which are exempt from mineral rights duty under this Act.

Application  
of provisions  
as to total  
and site value  
to minerals.

23.—(1) For the purposes of this Part of this Act, the total value of minerals means the amount which the fee-simple of the minerals, if sold in the open market by a willing seller in their then condition, might be expected to realise, and the capital value of minerals means the total value, after allowing such deduction (if any) as the Commissioners may allow for any works executed or expenditure of a capital nature incurred *bonâ fide* by or on behalf of any person interested in the minerals for the purpose of bringing the minerals into working, or where the minerals have been partly worked, such deduction as is, in the opinion of the Commissioners, proportionate to the amount of minerals which have not been worked.

(2) For the purposes of valuation under this Part of this Act, all minerals shall be treated as a separate parcel of land; but, where the minerals are not comprised in a mining lease or being worked, they shall be treated as having no value as minerals, unless the pro-

prietor of the minerals, in his return furnished to the Commissioners, specifies the nature of the minerals and his estimate of their capital value.

Minerals which are comprised in a mining lease or are being worked shall be treated as a separate parcel of land, not only for the purposes of valuation, but also for the purpose of the assessment of duty under this Part of this Act.

(3) The provisions of this Part of this Act with respect to valuation shall not apply to minerals which were, on the thirtieth day of April nineteen hundred and nine, either comprised in a mining lease or being worked by the proprietor, so long as they are for the time being either comprised in a mining lease or being worked by the proprietor, nor shall such provisions apply to any minerals which cease for a temporary period to be comprised in a mining lease or to be worked so long as the period does not exceed two years.

(4) Except where the context otherwise requires, any references in this Part of this Act to the site value of land shall, in cases where the land consists solely of minerals, or comprises minerals, be construed, so far as respects the minerals, as a reference to the capital value of the minerals.

**24.** For the purpose of the provisions of this Act as to minerals—  
Definitions  
for purpose  
of mineral

The expression ‘proprietor’ means the person for provisions.  
the time being entitled in possession to the minerals,  
or to the rents and profits thereof, or any part of  
those rents and profits, but does not include a  
person entitled as lessee other than a person en-  
titled to the possession of land comprised in a  
lease for any long term of years to which section  
sixty-five of the Conveyancing and Law of Pro- 44 & 45 Vict.  
perty Act, 1881, applies ; c. 41.

The expression ‘rent’ includes yearly or other rent,  
and shall, in addition to the meaning assigned to

it for the general purposes of this Part of this Act, be construed as including any fine, premium, or foregift, and any payment, consideration, or benefit in the nature of a fine, premium, or foregift ;

Where any rent is paid or rendered otherwise than in money or money's worth, the amount of the rent shall be taken to be such sum as the Commissioners consider to be the value thereof ;

The expression 'mining lease' means a lease for mining purposes, that is, for searching for, winning, working, getting, making merchantable, carrying away, or disposing of, mines and minerals, or purposes connected therewith, and includes an agreement for such lease, or any tenancy or licence, whether by deed, parol, or otherwise for mining purposes, and the expressions 'lessor' and 'lessee' shall in addition to the meaning assigned to them for the general purposes of this Part of this Act be construed so as to include respectively a licensor and a licensee ;

The expression 'working lessee' means as respects the right to work minerals the lessee who is actually working the minerals, or who would have the right actually to work the minerals if the minerals were worked, and as respects mineral wayleaves the lessee who is in actual enjoyment of the wayleave, and the expression 'immediate lessor' shall be construed accordingly ;

The expression 'working year' means the year ending the thirtieth day of September, or such other day as may in any case be approved by the Commissioners ; and the expression 'last working year' means the working year completed immediately before the first day of January in any financial year for which the duty is paid ;

The expression 'mineral wayleave' means any wayleave, air-leave, water-leave, or right to use a shaft granted to or enjoyed by a working lessee,

whether above or under ground, for the purpose of access to or the conveyance of the minerals, or the ventilation or drainage of his mine or otherwise in connexion with the working of the minerals.

Where any minerals are at any time being worked by means of any colliery, mine, quarry, or open working, all the minerals which belong to the same proprietor, if the minerals are being worked by the proprietor, or which the lessee has power to work if the minerals are being worked by a lessee, and which would, in the ordinary course of events, be worked by the same colliery, mine, quarry, or open working, shall be deemed to be minerals which are being worked at that date.

Minerals which are being won for the purpose of being immediately worked shall be deemed to be minerals which are being worked.

Minerals shall be deemed to be comprised in a mining lease if the right to work the minerals is the subject of a mining lease, or if the minerals are being worked under the terms of such a lease, although the lease has expired.

Where the circumstances of a district are such that in the opinion of the Commissioners it is impracticable to fix any sum which satisfactorily represents a rent customary in the district, the rent which would be paid under similar circumstances and ordinary conditions elsewhere than in the district shall be substituted for the rent customary in the district.

#### *Valuation for Purposes of Duties on Land Values.*

25.—(1) For the purposes of this Part of this Act, the gross value of land means the amount which the fee-simple of the land, if sold at the time in the open market by a willing seller in its then condition, free from incumbrances, and from any burden, charge, or

of values  
of land.

restriction (other than rates or taxes) might be expected to realise.

(2) The full site value of land means the amount which remains after deducting from the gross value of the land the difference (if any) between that value and the value which the fee-simple of the land, if sold at the time in the open market by a willing seller, might be expected to realise if the land were divested of any buildings and of any other structures (including fixed or attached machinery) on, in, or under the surface, which are appurtenant to or used in connexion with any such buildings, and of all growing timber, fruit trees, fruit bushes, and other things growing thereon.

(3) The total value of land means the gross value after deducting the amount by which the gross value would be diminished if the land were sold subject to any fixed charges and to any public rights of way or any public rights of user, and to any right of common and to any easements affecting the land, and to any covenant or agreement restricting the use of the land entered into or made before the thirtieth day of April nineteen hundred and nine, and to any covenant or agreement restricting the use of the land entered into or made on or after that date, if, in the opinion of the Commissioners, the restraint imposed by the covenant or agreement so entered into or made on or after that date was when imposed desirable in the interests of the public, or in view of the character and surroundings of the neighbourhood, and the opinion of the Commissioners shall in this case be subject to an appeal to the referee, whose decision shall be final.

(4) The assessable site value of land means the total value after deducting—

(a) The same amount as is to be deducted for the purpose of arriving at full site value from gross value ; and

(b) Any part of the total value which is proved to the

Commissioners to be directly attributable to works executed, or expenditure of a capital nature (including any expenses of advertisement) incurred *bonâ fide* by or on behalf of or solely in the interests of any person interested in the land for the purpose of improving the value of the land as building land, or for the purpose of any business, trade, or industry other than agriculture ; and

- (c) Any part of the total value which is proved to the Commissioners to be directly attributable to the appropriation of any land or to the gift of any land by any person interested in the land for the purpose of streets, roads, paths, squares, gardens, or other open spaces for the use of the public ; and
- (d) Any part of the total value which is proved to the Commissioners to be directly attributable to the expenditure of money on the redemption of any land tax, or any fixed charge, or on the enfranchisement of copyhold land or customary freeholds, or on effecting the release of any covenant or agreement restricting the use of land which may be taken into account in ascertaining the total value of the land, or to goodwill or any other matter which is personal to the owner, occupier, or other person interested for the time being in the land ; and
- (e) Any sums which, in the opinion of the Commissioners, it would be necessary to expend in order to divest the land of buildings, timber, trees, or other things of which it is to be taken to be divested for the purpose of arriving at the full site value from the gross value of the land and of which it would be necessary to divest the land for the purpose of realising the full site value.

Where any works executed or expenditure incurred for the purpose of improving the value of the land for agriculture have actually improved the value of the land as building land, or for the purpose of any business, trade, or industry other than agriculture, the works or expenditure shall, for the purpose of this provision, be treated as having been executed or incurred also for the latter purposes.

Any reference in this Act to site value (other than the reference to the site value of land on an occasion on which increment duty is to be collected) shall be deemed to be a reference to the assessable site value of the land as ascertained in accordance with this section.

(5) The provisions of this section are not applicable for the purpose of the valuation of minerals.

Valuation of  
land for pur-  
poses of Act.

26.—(1) The Commissioners shall, as soon as may be after the passing of this Act, cause a valuation to be made of all land in the United Kingdom, showing separately the total value and the site value respectively of the land, and in the case of agricultural land the value of the land for agricultural purposes where that value is different from the site value. Each piece of land which is under separate occupation, and, if the owner so requires, any part of any land which is under separate occupation, shall be separately valued, and the value shall be estimated as on the thirtieth day of April nineteen hundred and nine.

(2) Any owner of land and any person receiving rent in respect of any land shall, on being required by notice from the Commissioners, furnish to the Commissioners a return containing such particulars as the Commissioners may require as to the rent received by him, and as to the ownership, tenure, area, character, and use of the land, and the consideration given on any previous sale or lease of the land, and any other matters which may properly be required for the purpose of the valuation of the land, and which it is in his power to

give, and, if any owner of land or person receiving any rent in respect of the land is required by the Commissioners to make a return under this section, and fails to make such a return within the time, not being less than thirty days, specified in the notice requiring a return, he shall be liable to a penalty not exceeding fifty pounds to be recoverable in the High Court.

(3) Any owner of land may, if he thinks fit, furnish to the Commissioners his estimate of the total value or site value or both of the land, and the Commissioners, in making their valuation, shall consider any estimate so furnished.

27.—(1) The Commissioners shall cause a copy of their provisional valuation of any land to be served on the owner of the land, and, unless objection is taken to the provisional valuation in manner provided by this section, the values shown in the provisional valuation shall be adopted as the original total value and the original site value respectively for the purposes of this Part of this Act.

(2) If the owner considers that the total or site value, as stated in any provisional valuation, is not correct, he may, with a view to an amendment of the provisional valuation, within sixty days of the date on which the copy of the provisional valuation is served, or such extended time as the Commissioners may in any special case allow, give to the Commissioners notice of objection to the provisional valuation, stating the grounds of his objection and the amendment he desires, and, if the Commissioners amend the provisional valuation so as to be satisfactory to all persons making objections, the total and site value as stated in the amended valuation shall be adopted as the original total and the original site value for the purposes of this Part of this Act.

(3) The Commissioners may amend any provisional valuation, whether objected to or not, before it is

finally settled, and the amended provisional valuation shall be deemed to be a provisional valuation for the purposes of this section.

(4) If the provisional valuation is not amended by the Commissioners so as to be satisfactory to any objector, that objector may give a notice of appeal under this Act with respect to the valuation, but, if no such notice is given, the total and site value as stated in the provisional valuation, subject to such amendments as may be made by the Commissioners in order to meet objections, shall be adopted as the original total and the original site value respectively for the purposes of this Part of this Act.

(5) Any person interested in the land, not being an owner, may apply to the Commissioners for a copy of the provisional valuation of the land before it is finally settled, and shall then have the same right of giving notice of objection and of appealing as the owner.

(6) Where the value to be adopted as the original total or the original site value of any land for the purposes of this Part of this Act has not been finally settled at the time when any duty under this Part of this Act becomes leviable, any duty under this Part of this Act shall be assessed as if the values as shown in the provisional valuation, or, if the provisional valuation has been amended by the Commissioners, as shown in the valuation as so amended, were the values adopted as the original total and site values for the purposes of this Part of this Act, and, on the values to be adopted being finally settled, if it is found that the amount which should have been paid as duty exceeds that actually paid, the excess shall be deemed to be arrears of the duty, except so far as any penalty is incurred on account of arrears, and, if it is found that the amount which should have been paid as duty is less than that actually paid, the difference shall be repaid by the Commissioners.

(7) Where a lessee is the owner of the land within the meaning of this Act, this section shall apply as if any person entitled to the fee-simple reversion or to a leasehold reversion for a term of years exceeding twenty-one were the owner as well as the lessee.

**28.** For the purpose of obtaining a periodical valuation of undeveloped land the Commissioners shall, in the year nineteen hundred and fourteen and in every subsequent fifth year, cause a valuation to be made of undeveloped land showing the site value of the land as on the thirtieth day of April in that year, and, for the purpose of ascertaining the value at that time, the provisions of this Act as to the ascertainment of value shall apply for the purpose of ascertaining value on any such periodical valuation as they apply for the purpose of ascertaining the original value :

Provided that if on any such periodical valuation the valuation of any undeveloped land which is liable to undeveloped land duty is for any reason begun but not completed in the year of valuation, the Commissioners may complete the valuation after the expiration of the year of valuation, subject to an appeal under this Act.

**29.—(1)** Any duty under this Part of this Act may be assessed on or in respect of any such pieces of land whether under separate occupation or not, as the Commissioners think fit.

**(2)** The Commissioners shall make such apportionments and re-apportionments of any original site value or any site value fixed on a periodical valuation as they consider necessary for the purpose of the collection or assessment of increment value duty or undeveloped land duty, or which they may be required at any time to make on the application of any person entitled to the fee-simple of any land or to an interest in any land.

On any such apportionment or re-apportionment for the purpose of the collection of increment value duty

on the occasion of the transfer on sale of the fee-simple of the land or any interest in the land, or on the occasion of the grant of any lease of the land, the consideration for the transfer, or for the grant of the lease, shall be treated as one of the matters to which regard must be had in making the apportionment or re-apportionment.

(3) The provisions relating to the procedure on the valuation of land for the purposes of this Part of this Act shall apply with respect to the apportionment or re-apportionment of site value under this section as they apply with reference to the ascertainment of the original site value of land.

(4) The value attributed on any such apportionment or re-apportionment to each part of the land shall, for the purposes of this Part of this Act, be treated as the original site value or the site value of the land, as the case may be.

**Duties of Commissioners as to keeping records and giving information.**

30.—(1) The Commissioners shall record particulars of all valuations, apportionments, re-apportionments, and assessments made by them under this Part of this Act, and of any deductions allowed in determining any value, and of the amount of any duty paid under this Part of this Act in respect of any land.

(2) The Commissioners shall furnish to any person interested in any land, or to any person authorised by any person so interested, on his application and on payment of such fee, not exceeding two shillings and sixpence, as the Commissioners may fix with the approval of the Treasury, copies of any particulars so recorded by them relating to the land, certified, if required, by a Secretary or Assistant Secretary to the Commissioners.

**Information as to names of owners of land.**

31.—(1) Every person who pays rent in respect of any land, and every person who as agent for another person receives any rent in respect of any land, shall,

on being required by the Commissioners, furnish to them within thirty days the name and address of the person to whom he pays rent or on behalf of whom he receives rent, as the case may be.

(2) For the purpose of the exercise of their powers or the performance of their duties under this Part of this Act in reference to the valuation of land, the Commissioners may give any general or special authority to any person to inspect any land and report to them the value thereof, and the person having the custody or possession of that land shall permit the person so authorised, on production of the authority of the Commissioners in that behalf, to inspect it at such reasonable times as the Commissioners consider necessary.

(3) If any person wilfully fails to comply with the provisions of this section, he shall be liable to a penalty not exceeding fifty pounds to be recoverable in the High Court.

(4) Any notice requiring a return for the purpose of valuation, any copy of a provisional valuation, and any other notice or document which is required to be given or sent to an owner or a person interested in land under this Part of this Act by the Commissioners shall be sufficiently given or sent if sent by post to the address of the owner or person interested furnished to the Commissioners under the powers given by this section, or, if the address cannot be so ascertained, by leaving the notice or a copy of the document addressed to the owner or person interested with some occupier of the land, or, if there is no occupier, by causing it to be put up in some conspicuous place on the land.

32.—(1) Where the value of any consideration for a transfer or lease is to be determined for the purposes of this Part of this Act, that value shall, so far as the consideration consists of the payment of a capital sum, be taken to be the amount of that capital sum, and,

Determination  
of value  
of considera-  
tion.

so far as the consideration consists of a periodical money payment, be taken to be such sum as appears to the Commissioners to be the capital value of that payment.

(2) If the Commissioners are satisfied that any covenant or undertaking or liability to discharge any incumbrance, or, in cases where a nominal rent only has been reserved, any covenant or undertaking to erect buildings, or to expend any sums upon the property, has formed part of the consideration, the Commissioners shall allow such sum as they think just in respect thereof as an addition to the value of the consideration.

(3) Where it is necessary to apportion any consideration for the purposes of this Part of this Act as between properties included in any transfer or lease, the consideration shall be apportioned by the Commissioners in such manner as they determine.

### *Appeals.*

Appeals to  
referees.

33.—(1) Except as expressly provided in this Part of this Act, any person aggrieved may appeal within such time and in such manner as may be provided by rules made under this section against the first or any subsequent determination by the Commissioners of the total value or site value of any land ; or against the amount of any assessment of duty under this Part of this Act ; or against a refusal of the Commissioners to make any allowance or to make the allowance claimed, where the Commissioners have power to make such an allowance under this Part of this Act ; or against any apportionment of the value of land or of duty or any assessment or apportionment of the consideration on any transfer or lease made by the Commissioners under this Part of this Act ; or against the determination of any other matter which the Commissioners are to determine or may determine under this Part of this Act :

Provided that—

- (a) an appeal shall not lie against a provisional valuation made by the Commissioners of the total or site value of any land except on the part of a person who has made an objection to the provisional valuation in accordance with this Act ; and
- (b) the original total value and the original site value and the site value as ascertained under any subsequent valuation shall be questioned only by means of an appeal against the determination by the Commissioners of that value where there is an appeal under this Act, and shall not be questioned in any case on an appeal against an assessment of duty.

(2) An appeal under this section shall be referred to such one of the panel of referees appointed under this Part of this Act as may be selected in manner provided by rules under this section, and the decision of the referee to whom the matter is so referred shall be given in the form provided by rules under this section and shall, subject to appeal to the Court under this section, be final.

(3) The referee shall determine any matter referred to him in consultation with the Commissioners and the appellant, or any persons nominated by the Commissioners and the appellant respectively for this purpose, and may, if he thinks fit, order that any expenses incurred by the appellant be paid by the Commissioners, and that any such expenses incurred by the Commissioners be paid by the appellant.

Any order of the referee as to expenses may be made a rule of the High Court.

(4) Any person aggrieved by the decision of the referee may appeal against the decision to the High Court within the time and in the manner and on the conditions directed by Rules of Court (including con-

ditions enabling the Court to require the payment of or the giving of security for any duty claimed); and subsections two, three, and four of section ten of the  
**57 & 58 Vict.** Finance Act, 1894, shall apply with reference to any such  
c. 30. appeal :

Provided that where the total or site value as alleged by the Commissioners of the property in respect of which the dispute arises does not exceed five hundred pounds, the appeal under this section may be to the county court for the county or place in which the appellant resides or the property is situate, and this section shall for the purpose of the appeal apply as if such county court were the High Court, and in every such case any party shall have a right of appeal to the Court of Appeal.

(5) Provision shall be made by rules under this section with respect to the time within which and the manner in which an appeal may be made to a referee under this section, and with respect to the mode in which the referee to whom any reference is to be made is to be selected, and with respect to the form in which any decision of a referee is to be given, and with respect to any other matter for which it appears necessary or expedient to provide in order to carry this section into effect.

Those rules shall be made by the Reference Committee, subject to the approval of the Treasury.

The Reference Committee for England shall consist of the Lord Chief Justice of England, the Master of the Rolls, and the President of the Surveyors' Institution.

The Reference Committee for Scotland shall consist of the Lord President of the Court of Session, the Lord Justice Clerk, and the Chairman of the Scottish Committee of the Surveyors' Institution.

The Reference Committee for Ireland shall consist of the Lord Chief Justice of Ireland, the Master of the Rolls in Ireland, and the President of the Surveyors' Institution.

The President of the Surveyors' Institution may, if he thinks fit, appoint any person, being a member of the council of that institution and having special knowledge of valuation in Ireland, to act in his place as a member of the Reference Committee in Ireland.

34.—(1) Such number of persons, being persons who have been admitted Fellows of the Surveyors' Institution, or other persons having experience in the valuation of land as may be appointed for England, Scotland, and Ireland, respectively, by the Reference Committee, shall form a panel of persons to act as referees for the purposes of this Part of this Act in England, Scotland, and Ireland, respectively, and persons having experience in the valuation of minerals shall be included in each panel.

(2) There shall be paid out of moneys provided by Parliament to every referee appointed under this section such fees or remuneration as the Treasury direct.

#### *Supplemental.*

35.—(1) No duty under this Part of this Act shall be charged in respect of any land or interest in land held by or on behalf of a rating authority, or any statutory combination representative of two or more local or rating authorities, and any increment value duty in respect of any such land which would have been collected from the authority (whether on the occasion of the transfer on sale of the land, or any interest in the land, or the grant of a lease of the land, or on the periodical occasions provided in this Act) shall, for the purposes of the provisions of this Act as to the collection of increment value duty, be deemed to have been paid.

(2) For the purposes of this section the expression 'rating authority' means any body who have power to raise a rate or administer money raised by a rate; and the expression 'rate' means a rate the proceeds of which are applicable to public local purposes, and

which is leviable on the basis of an assessment in respect of the yearly value of property, and includes any sum which, though obtained in the first instance by a precept, certificate, or other instrument, requiring payment from some authority or officer, is or can be ultimately raised out of a rate as before defined.

Deduction  
from incre-  
ment value  
of sum paid  
to rating  
authority in  
respect of  
increase in  
value.

**36.** Where in pursuance of any public general or local Act any capital sum or any instalment of a capital sum has been paid to any rating authority in respect of the increased or enhanced value of any land due to any improvements made or other action taken by the authority, the amount of that capital sum or instalment shall be deducted from any increment value of the land for the purposes of the collection of increment value duty and from the site value of the land for the purposes of the collection of undeveloped land duty, and from the value of the benefit accruing to the lessor for the purposes of reversion duty, and in the case of increment value duty the duty on the amount deducted shall be deemed to have been paid.

Special pro-  
vision for  
land held for  
charitable  
purposes,  
etc.

**37.—(1)** No reversion duty or undeveloped land duty under this Part of this Act shall be charged in respect of land or any interest in land held by or on behalf of any governing body constituted for charitable purposes while the land is occupied and used by such a body for the purposes of that body, and increment value duty shall not be collected on any periodical occasion in respect of the fee-simple of, or any interest in, any land held for the purposes of such a body, whether it is occupied or used by that body or not, without prejudice, however, to the collection of the duty on any other occasion.

The expression ‘governing body constituted for charitable purposes’ includes any person or body of persons who have the right of holding, or any power of government of, or management over, any property appropriated for charitable purposes (including property

appropriated for the purpose of any of the naval or military forces of the Crown), and includes any corporation sole and all universities, colleges, schools, and other institutions for the promotion of literature, science, or art.

(2) This section shall apply to the fee-simple of, or any interest in, any land held by a registered society or by a company within the meaning of the Companies 8 Edw. 7. (Consolidation) Act, 1908, or any body of persons incorporated by special Act, if that company or body are by their memorandum or Act precluded from dividing any profit amongst their members, as if the purposes of the society, company, or body of persons were charitable purposes.

In this provision the expression ‘ registered society ’ means any society or body of persons who are registered, or whose rules are certified or registered, by a registrar of friendly societies in pursuance of any Act of Parliament, and who by their rules make provision for the benefits set out in section eight, subsection one, of the Friendly Societies Act, 1896, and where the contract 59 & 60 Vict. between the society and the member is of a permanent c. 25. character.

38.—(1) Neither increment value duty, reversion duty, nor undeveloped land duty shall be charged in respect of any land whilst it is held by a statutory company for the purposes of their undertaking and cannot be appropriated by the company except to those purposes ; but nothing in this provision shall prevent the collection of increment value duty when any such land is sold or ceases to be so held.

This provision shall not be construed so as to exclude from the benefit thereof land held by a statutory company which is intended to be ultimately appropriated for the purpose of works forming or to form part of the company’s undertaking, but pending the carrying out of those works, is used for other purposes.

(2) The Commissioners shall not require a statutory company to make any returns with respect to any such land for the purpose of the provisions of this Part of this Act as to valuation other than as to the actual cost to the company of the land, and that cost shall, for the purposes of this Part of this Act, be substituted for the original site value of the land.

(3) For the purposes of the Lands Clauses Acts, as incorporated with any special Act, the amount (if any) payable by the transferor as increment value duty shall not be treated as part of the costs or expenses of a conveyance of land, and shall not be taken into account in assessing the compensation to be paid to the transferor.

(4) For the purposes of this section the expression 'statutory company' means any railway company, canal company, dock company, water company, or other company who are for the time being authorised under any special Act to construct, work, or carry on any railway, canal, dock, water, or other public undertaking, and includes any person or body of persons so authorised; and the expression 'special Act' includes any Provisional Order or order having the force of an Act of Parliament.

**Power to charge duty on land in certain cases.** 39.—(1) Where the fee-simple of any land, or any interest in land, in respect of which increment value duty or reversion duty is charged, is settled land within 45 & 46 Vict. c. 38. the meaning of the Settled Land Act, 1882, or is vested in a trustee, and the tenant for life, or persons having the powers of a tenant for life, or the trustee, is the person who is liable to pay any sums on account of either of these duties, he shall be entitled to charge by deed upon the land or interest in land any amount paid by him, or which he may then be or may thereafter become liable to pay, in respect of either of these duties, and the amount of any expenditure which he may have reasonably incurred in connexion with the valuation,

and the benefit of any such charge, may be transferred in like manner as a mortgage.

(2) In the case of settled land a deed executed for the purposes of this section shall not take effect until notice thereof has been given to the trustees of the settlement for the purposes of the Settled Land Act, 1882.

(3) Sections fifty-nine, sixty, and sixty-two of the Settled Land Act, 1882 (which relate to the exercise of powers on behalf of infants and lunatics), shall apply to the exercise of the power under this section in the same manner as they apply to the exercise of the powers of a tenant for life under that Act.

(4) Where the fee-simple of any land, or any interest in land in respect of which increment value duty or reversion duty is charged, is vested in a mortgagee who is liable to pay any sum on account of either of those duties, he shall be entitled to add to his security the sum for which he is so liable, including any costs or expenses properly incurred by him in respect of the payment of the duty.

(5) In Scotland, where any person, having a limited interest in the land or interest in land in respect of which any duty under this Part of this Act is charged, is the person who is liable to pay any sums on account of the duty, he shall be entitled to charge such land or such interest in land by means of a bond and disposition or bond and assignation in security in his own favour which he is hereby authorised to grant.

**40.** The following provisions shall have effect with Application respect to the application of this Part of this Act to of Part I. to copyholds, including customary freeholds.—

(1) In the case of copyholds of inheritance, and copyholds held for a life or lives or for years where the tenant has a right of renewal, and customary freeholds—

(a) The total and site values of the land shall be ascertained as if the land were freehold land, subject to a deduction of such an amount as is proved to the Commissioners to be equal to the amount which it would cost to enfranchise the land ;

(b) References to the fee-simple of land shall be treated as references to the whole copyhold or customary interest or estate ;

(c) In the definition of ‘owner,’ a reference to the person entitled to the rents and profits of the land as tenant by copy of court roll or customary tenure shall be substituted for the reference to the person entitled to the rents and profits of the land in virtue of an estate of freehold :

(2) In the case of copyhold land held for a life or lives, or for years where the tenant has not a right of renewal, this Part of this Act shall have effect as if the land were freehold land and the copyhold interest were a leasehold interest.

**Definitions.** 41. In this Part of this Act, unless the context otherwise requires,—

The expression ‘land’ does not include any incorporeal hereditament issuing or granted out of the land ;

The expression ‘rentcharge’ means tithe or tithe rentcharge, or other periodical payment or rendering in lieu of or in the nature of tithe, or any fee farm rent, rent seek, quit rent, chief rent, rent of assize, or any other perpetual rent or annuity granted out of land ;

The expression ‘rent’ has the same meaning as in the Conveyancing and Law of Property Act, 1881, and does not include a rentcharge ; .

The expression ‘lease’ includes an under-lease and an agreement for a lease or under-lease, but does not include a term of years created solely for the purpose of securing money until the term becomes vested in some person free from any equity of redemption ;

The term of a lease shall, where the lease contains an obligation to renew the lease, be deemed to include the period for which the lease may be renewed, and, in the case of a lease for life or lives, shall be deemed to be a number of years equal to the mean expectation of life of the person for whose life the lease is granted, or, in the case of a lease granted for lives, of the youngest of the persons for whose lives the lease is granted, and a lease renewed in pursuance of such an obligation shall not on its renewal be deemed to be determined ;

The expression ‘interest’ in relation to land includes any undivided share in a fee-simple in possession and includes a reversion expectant on the determination of a lease, but does not include any other interest in expectancy or an incumbrance as defined by this Act or any fixed charge as defined by this Act or any purely incorporeal hereditament or any leasehold interest under a lease for a term of years not exceeding fourteen years or any tenancy which is, or is deemed to be, subject to statutory conditions under the Land Law (Ireland) Acts ;

The expression ‘incumbrance’ includes a mortgage in fee or for a less estate, and a trust for securing money, and a lien, and a charge of a portion, annuity, or any capital or annual sum, but does not include a fixed charge as defined by this Act ;

The expression ‘fixed charge’ means any rentcharge as defined by this Act, and any burden or charge (other than rates or taxes) arising by operation of law or imposed by any Act of Parliament, or

imposed in pursuance of the exercise of any powers or the performance of any duties under any such Act, otherwise than by a person interested in the land or in consideration of any advance to any person interested in the land ;

The expression ‘fee-simple’ means the fee-simple in possession not subject to any lease, but does not include an undivided share in a fee-simple in possession ;

The expression ‘owner’ means the person entitled in possession to the rents and profits of the land in virtue of any estate of freehold, except that where land is let on lease for a term of which more than fifty years are unexpired, the lessee under the lease or if there are two or more such leases the lessee under the last created under-lease shall be deemed to be the owner instead of the person entitled to the rents and profits as aforesaid ;

The expressions ‘lessor’ and ‘lessee’ include an under-lessor and under-lessee ; and the expression ‘lessor’ includes the person for the time being entitled to the reversion, whether freehold or leasehold, expectant on the determination of the lease ; and the expression ‘lessee’ includes executors, administrators, and assigns of the lessee ;

The expressions ‘transferor’ and ‘lessor’ do not include any persons who join in the execution of the instrument by which the transfer or lease is effected, or agreed to be effected, for the purpose only of conveying any estate vested in them as trustees or incumbrancers, or of acknowledging the receipt of the consideration money, or of giving consent, and sections fifty-nine, sixty, and sixty-two of the Settled Land Act, 1882 (which relate to the exercise of powers on behalf of infants and lunatics), shall apply to the exercise of the powers of an owner under this Part of this Act

in the same manner as they apply to the exercise of the powers of a tenant for life under that Act ; The expression ' agriculture ' includes the use of land as meadow or pasture land or orchard or osier or woodland, or for market gardens, nursery grounds, or allotments ; and the expression ' agricultural land ' shall be construed accordingly.

**42.** In the application of this Part of this Act to Scotland, unless the context otherwise requires,—

Application  
of Part I. to  
Scotland.

(1) The expression ' land ' does not include teinds, titles or offices of honour, or any servitude, superiority, casualty, feu - duty, or ground annual, or any incorporeal heritable right ;

The expression ' rent ' includes yearly or other rent, toll, duty, royalty, or other reservation by the acre, the ton, or otherwise ; and, for the purpose of section thirty-one of this Act, includes feu-duty and ground annual ;

The expression ' rentcharge ' includes feu-duty and ground annual ;

The expression ' interest ' in relation to land includes the landlord's right of reversion to the subjects let on the determination of the lease, but does not include teinds, servitudes, superiorities, any interest in expectancy, whether vested or not, heritable securities, bonds of provision, jointures, annuities, or other capital or annual sums, or other debts secured upon heritage, or any sporting right, or any lease thereof ;

The expression ' owner ' means the *fiar* of the land, except that where land is let on lease for a term of which more than fifty years are unexpired, the tenant under the lease shall be deemed to be the owner, and includes an institute or heir of entail in possession ;

The expression ' freeholder ' includes ' *fiar*, ' ' life-

- renter of land settled within the meaning of the Finance Act, 1892,' and 'institute or heir of entail in possession,' and the expression 'freehold' shall be construed accordingly;
- The expression 'incumbrance' includes any heritable security, or other debt or payment secured upon heritage, and the expression 'incumbrancer' shall be construed accordingly;
- 'Servitudes' shall be substituted for 'easements' and shall be deemed to include public rights;
- 'Local Government Board for Scotland' shall be substituted for 'Local Government Board';
- The expression 'borough or urban district' means a royal, parliamentary or police burgh;
- A reference to an appeal to quarter sessions shall not apply;
- 'Court of Session' shall be substituted for 'High Court': Provided that, for the purposes of appeals from the decisions of referees, the judges of the Court of Session named for the purpose of hearing appeals under the Valuation of Lands (Scotland) Acts shall be substituted for the High Court, subject to such regulations as may be prescribed by Act of Sederunt, and the appeal from such judges shall be to the House of Lords, and in subsections (2), (3), and (4) of section ten of the Finance Act, 1894, as applied with reference to any such appeal the said judges shall be substituted for the High Court. 'Sheriff Court' shall be substituted for 'County Court,' and there shall be an appeal from the sheriff court to the said judges, whose decision in such case shall be final.
- (2) Any order of a referee as to expenses shall be enforceable as a recorded decree arbitral.
- (3) Subsection (2) of section two of this Act shall be

construed as if after paragraph (*d*) thereof the following paragraph were added (that is to say) :—

(*e*) where the occasion is the grant of any feu of the land or the creation of any ground annual thereon, the value of the fee-simple of the land calculated on the basis of the value of the consideration for such grant or creation, by way of feu-duty, ground annual, or otherwise.

Where increment value duty falls to be collected on a feu contract or feu charter or a contract of ground annual, it shall be paid by the person by whom or on whose behalf the feu is granted or the ground annual is created, and, for the purposes of this Part of this Act, that person shall be deemed to be the transferor or the transferor on sale and the contract or charter to be the instrument, and the expressions ‘transfer’ and ‘transfer on sale’ shall be construed accordingly.

The expressions ‘lessor’ and ‘lessee’ include a sub-lessor and sub-lessee and the heirs, executors, administrators, and assigns of a lessor and lessee respectively.

- (4) Where arrangements are made under section four of this Act for dispensing with the presentation of any instrument or particulars thereof, it shall be the duty of the keeper of the general register of sasines, and of the respective keepers of burgh or other local registers, to furnish to the Commissioners particulars of instruments presented for registration or registered in their respective registers as may be prescribed by regulations of the Commissioners, and in such case the provisions of subsection (3) of section four shall not apply.

COPY OF REGULATIONS MADE BY THE COMMISSIONERS OF INLAND REVENUE UNDER SECTION 4.

PRESENTATION OF INSTRUMENTS.

(1) Having regard to the provisions of the Finance (1909–10) Act, 1910, with respect to Increment Value Duty, it is necessary that, on the occasion of any transfer on sale of the fee-simple of any land or of any interest in land, in pursuance of any contract made after the commencement of the Act, or on the grant, in pursuance of any contract made after the commencement of the Act, of any lease of any land, for a term exceeding fourteen years, *the transferor or lessor* shall present to the Commissioners of Inland Revenue the instrument by means of which the transfer or the lease is effected, or agreed to be effected, or reasonable particulars thereof, for the purpose of the assessment of Increment Value Duty thereon. The land in question is only such as is situate within the United Kingdom. (Where a building is used for the purpose of separate tenements, flats or dwellings, the grant of a lease, or the transfer on sale of any lease, of any such separate tenement, flat, or dwelling, will not be an occasion requiring presentation of the instrument.—Section 11.)

These Regulations do not apply in the case of the grant of a Mining Lease, as to which reference should be made to the special provisions contained in the Act.

(2) Under arrangements made by the Commissioners the instrument, or the required particulars thereof, may be presented at any of the following Stamp Offices :—

London (Somerset House, Wellington Street Entrance,  
or Telegraph Street, E.C.).

Edinburgh (Waterloo Place).

Dublin (Custom House and Four Courts).

Birmingham, The Office of the Collector of Customs and Excise.

Bolton	,	,	,
Bradford	,	,	,
Brighton	,	,	,
Bristol	,	,	,
Cardiff	,	,	,
Derby	,	,	,
Hull	,	,	,
Leeds	,	,	,
Leicester	,	,	,
Liverpool	,	,	,
Manchester	,	,	,
Newcastle-on-Tyne	,	,	,
Nottingham	,	,	,
Portsmouth	,	,	,
Sheffield	,	,	,
Southampton	,	,	,
Sunderland	,	,	,
Swansea	,	,	,
Wakefield	,	,	,
Wolverhampton	,	,	,
York	,	,	,
Glasgow	,	,	,
Belfast	,	,	,
Cork	,	,	,

The forms I.V.D. (A) and I.V.D. (B) referred to in these Regulations may be obtained at any of the above-mentioned offices, at any local Stamp Office, and at or through any Money Order Office authorised to transact Inland Revenue business.

(3) If the instrument itself be presented the presentation should take place, if possible, after execution by the transferor or lessor. The instrument must be accompanied either by a copy, or by an abstract such (but containing the further particulars required) as is presented with an instrument lodged for adjudication under Section 12 of the Stamp Act, 1891. The abstract

should set out fully, for purposes of identification, the description of the property sold or leased, and if the instrument contains or refers to a plan, a copy of such plan should be furnished. A full statement should be made of any easements or reservations affecting the land, of any covenant restricting its use, and of any agreement or obligation to repair, or to pay outgoings. Any covenant or undertaking or liability to discharge any incumbrance, and any covenant or undertaking to erect buildings or to expend any sums upon the property, should be set out in full. If the easement, covenant, etc., is set forth in some other document than the instrument itself, that document should be presented as well. The official form I.V.D. (A) of application for an increment value duty stamp, duly filled up and signed, should also be lodged. The official form of abstract I.V.D. (B) can be used if desired.

(4) The instrument, the abstract, and the form I.V.D. (A), when presented, will be retained by the proper officer of the Commissioners for examination, a ticket being given, by way of receipt, to the person presenting them.

(5) Assuming that the various documents or papers so presented are found on examination to contain the particulars necessary for the purpose of enabling the Commissioners to assess the duty, and that, if security as hereafter mentioned (Par. 14), has been required, such security has been given, the instrument will be impressed with one of the stamps (a), (b), (c) mentioned in Section 4 (3) of the Finance (1909-10) Act, 1910, and will be returned on presentation of the ticket after the expiration of the time mentioned therein. These stamps are :—

- either (a) a stamp denoting that the increment value duty has been assessed by the Commissioners and paid in accordance with the assessment :
- or (b) a stamp denoting that all particulars have been

delivered to the Commissioners which, in their opinion, are necessary for the purpose of enabling them to assess the duty, and that security has been given for the payment of duty in any case where the Commissioners have required security :

or (c) a stamp denoting that upon the occasion in question no increment value duty was payable.

(6) Where an instrument is so stamped it will, notwithstanding any objection relating to Increment Value Duty, be deemed to be *duly stamped* so far as respects that duty. But unless so stamped the instrument cannot, except in criminal proceedings, be given in evidence, or be made available for any purpose whatever.

(7) The Act (Sec. 4 (7)) provides that where any agreement for a transfer, or agreement for a lease, is stamped with one of the special stamps provided, it will not be necessary to stamp in a similar manner any conveyance, assignment, or lease made subsequently to and in conformity with the agreement. But, if desired, a corresponding stamp will be impressed on the conveyance, assignment, or lease, on presentation of both instruments at the selected Office. Similarly a duplicate of any instrument which has been stamped in accordance with the above section will be impressed with a corresponding stamp on both documents being produced at the Office for the purpose.

If, however, an agreement for a transfer is intended to be followed shortly by an actual conveyance, the Commissioners will not require the agreement, or particulars thereof, to be presented under these Regulations, but will accept the presentation in due course of the actual conveyance, or particulars thereof, as a compliance with the provisions of the Act. But an agreement for a lease, or particulars thereof, should be presented without waiting for the actual lease.

(8) The fact that an instrument has been presented under these regulations, and stamped with the appro-

priate stamp as regards Increment Value Duty, will not in any way affect the liability of the instrument to the ordinary Stamp Duty imposed by the Stamp Act, 1891, or any amending Act. It will be necessary therefore that the instrument, if not drawn on material duly stamped, be presented within thirty days of execution, to be impressed with the proper ordinary Stamp Duty. (Stamp Act, 1891, Section 15.) Should, however, the transferor or lessor desire to have this duty impressed at the same time as the stamp for Increment Value Duty, so as to avoid the necessity for a second presentation of the instrument, he should pay the amount of the duty when presenting the instrument, abstract, etc., at the Stamp Office selected.

(9) In the case of instruments lodged at the Head Office in London, Edinburgh, or Dublin, for adjudication under Section 12 of the Stamp Act, 1891, the application for an Increment Value Duty Stamp may be made at the same time, the application form I.V.D. (A) being accompanied by a separate copy or abstract of the instrument, any abstract to contain a full statement as regards easements, covenants, etc. The Increment Value Duty Stamp will then be impressed when the instrument is stamped with the adjudication stamp.

(10) Notwithstanding the exemptions from Increment Value Duty contained in Section 7 (Agricultural land), Section 8 (Small houses and properties in owner's occupation), and Section 35 (Land held by Rating Authorities), it will be necessary to present to the Commissioners any conveyance on sale, or lease for a term exceeding fourteen years, of land of the description mentioned in those sections, as the instrument will not be duly stamped unless it bears one of the special Increment Value Duty stamps mentioned in paragraph 5.

#### PRESENTATION OF PARTICULARS.

(11) If the instrument itself be not presented by the transferor or lessor for the purpose of the assessment

of Increment Value Duty thereon, *reasonable particulars thereof*, in the form of the various documents mentioned in paragraph 3, must be furnished by him. Such particulars can be lodged at any of the Offices mentioned in paragraph 2, and a receipt will be given therefor. The transferor or lessor should at the same time lodge the Form I.V.D. (A) duly filled up.

(12) The presentation of such particulars, in lieu of the instrument itself, will free the transferor or lessor from liability to the fine imposed by Section 4 (2) of the Finance (1909-10) Act, 1910. But the instrument will not be 'duly stamped' until it bears, in addition to the ordinary Stamp Duty to which it is liable, one of the special stamps relating to Increment Value Duty mentioned in paragraph 5. Provided, however, the necessary particulars, as above, have been furnished by the transferor or lessor, the appropriate stamp will be impressed at any future date, if the instrument and the receipt for the particulars are lodged for the requisite length of time at the *Head Office* for England, Scotland, or Ireland, as the case may be.

#### PRESENTATION AT OTHER OFFICES.

(13) Where it is not possible or convenient to present the instrument or the required particulars at one of the stamp offices mentioned in par. 2 it will be open to the transferor or lessor to lodge the various documents (including Form A) at the local Stamp Office, or at any Money Order Office authorised to transact Inland Revenue business, with a request that they may be forwarded to the Head Office, in the same way as documents requiring to be stamped with the ordinary Stamp Duties may now be lodged. In such cases the examination of the documents will be made at the Head Office only, where any Increment Value Duty will be assessed, and in due course the conveyance, or lease, or agreement, stamped as regards such duty, will be returned to the Stamp or Post Office for delivery to

the transferor or lessor on his personal application for it.

#### PAYMENT OF INCREMENT VALUE DUTY.

(14) If on the presentation of an instrument or of particulars thereof, the Commissioners have reason to consider that the occasion is one on which a claim to Increment Value Duty has arisen, they may require security for the payment of duty, and in such a case the stamp referred to in par. 5 will not be impressed until the required security has been given.

(15) On an assessment of Increment Value Duty being made by the Commissioners, notice of such assessment will be given in writing to the transferor or lessor at the address furnished by him on Form I.V.D. (A), and payment will be required in accordance with the terms of such notice.

(16) In the case of any lease or transfer on sale where the consideration is in the form of a periodical payment, the Commissioners may, if they think fit, allow payment of the Increment Value Duty assessed to be made by instalments in accordance with the following regulations :—

(I.) Where the consideration consists wholly of a periodical payment,

The duty shall be payable by five equal annual instalments, and the first instalment shall fall due one year after the date of the grant of the lease or the transfer of the interest, and the subsequent instalments on the same date in each successive year.

(II.) Where the consideration consists partly of a lump sum payment and partly of a periodical payment,

(a) There shall become due and payable at the date of the transfer or grant of the lease an amount bearing to the whole duty to be

collected the same proportion as the lump sum bears to the total present value of the consideration calculated on the 4% tables.

- (b) The balance shall be payable by instalments of the same amounts and at the same times as if the periodical payment constituted the whole of the consideration, and the balance were the whole of the increment value duty to be collected.

(III.) In any case in which the person liable to the payment of any Increment Value Duty may and does elect to pay such duty by instalments, he shall furnish security to the satisfaction of the Commissioners for the payment of the whole amount of the duty payable.

(IV.) If any person, on being required by the Commissioners to furnish such security, fails to do so within two months he shall forfeit his right to pay the duty by instalments, and the whole of the duty shall be deemed to be due on the expiration of two months from the date on which notice was given by the Commissioners of their requirement.

(V.) If any instalment remains unpaid for a period of thirty days after it falls due, or if the person liable to the payment dies or becomes bankrupt, the whole balance of the duty unpaid shall forthwith become due and payable.

(VI.) For the purposes of these rules the term 'interest in land' shall be deemed to include the 'fee-simple of the land.'

(VII.) Where the duty due on the grant of a lease is payable by instalments, and the lease is determined before all such instalments have fallen due, the instalments which have not fallen due will be remitted, and in that case the amount of duty which, under Section 4 of the Finance (1909-10) Act, 1910, is deemed to have been paid, will be reduced by the amount of the instalments so remitted.

(17) In any case where Increment Duty shall have been paid under the provisions of Section 4 of the Finance (1909-10) Act, 1910, but the transaction in respect of which the duty shall have been paid was subsequently not carried into execution, the duty will be returned to the transferor or lessor on his making written application to the Commissioners, the application being supported by a statutory declaration setting forth the circumstances under which the repayment is claimed. The application must be made within two years after the payment of the duty. In any case in which arrangements have been made for payment by instalments, the two years will run from the date on which the last instalment was paid.

#### CORRESPONDENCE.

(18) Should occasion arise for correspondence in connection with the presentation of an instrument or the delivery of particulars, the letter should be addressed to the Secretary, Inland Revenue, Somerset House, London, W.C. ; or to the Comptroller of Stamps and Taxes, Edinburgh, or to the Comptroller of Stamps and Income Tax, Dublin, as the case may be, the envelope being marked in the left-hand corner ' Increment Value Duty.'

#### SCOTLAND.

(19) In Scotland, paragraphs 1 to 15 of the above Regulations shall not apply to instruments presented for registration in the General Register of Sasines or in any Burgh or other local register, and in lieu thereof the following regulations shall apply :—

(i.) *Where an instrument\* is presented for registration in the General Register of Sasines or in the*

\* Observe that (a) 'Instrument' means any instrument executed on the occasion of a transfer on sale of land or interest in land or the grant of any lease for a term exceeding 14 years or any feu of land or the creation of any ground annual ; and that (b) the expression 'transferor' includes the person by whom or on whose behalf a feu is granted or a ground annual created (see Section 42 (3) ).

*Burgh or other local register it shall not be necessary for the transferor or lessor or other accountable party to present such instrument to the Commissioners or furnish them with ‘reasonable particulars’ thereof.*

- (ii.) Nothing in these Regulations shall affect the liability of the instrument to the ordinary stamp duty imposed by the Stamp Act, 1891, or any amending Act.
- (iii.) Where the Commissioners have reason to consider that the occasion is one on which a claim to Increment Value Duty has arisen, they may require security for the payment of the duty.
- (iv.) On an assessment of Increment Value Duty being made by the Commissioners, notice of such assessment will be given in writing to the transferor or lessor and payment will be required in accordance with the terms of such notice.

#### IRELAND.

(20) In view of the special provisions of Section 4 (5) of the Finance (1909–10) Act, 1910, and of the arrangements and Regulations made thereunder, conveyances on sale of lands *to which the Land Purchase (Ireland) Acts apply* will, on presentation to the Registrar of Titles in the ordinary course, and subject to the provisions contained in paragraph 14 of these Regulations, be impressed with the appropriate stamp denoting that the necessary particulars have been delivered to the Commissioners.

With the above exception, these Regulations will apply in Ireland to all conveyances on sale and leases exceeding fourteen years.

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